ASYAD SHIPPING

Asyad Shipping Company SAOC (under transformation)

Madinat Al Sultan Qaboos, Bousher,
PO Box 104, Postal Code 118,
Muscat Governorate, Sultanate of Oman

Initial Public Offering of 1,041,748,856 Offer Shares

Category I Offer
(Institutional Category)
Subscription Price Range:
Bzs 117 to Bzs 123 per Offer Share

Category I Offer Period:
20 February 2025 - 27 February 2025

Category II Offer
(Retail Category)
Subscription Price
Bzs 123 per Offer Share

Category II Offer Period:
20 February 2025 - 26 February 2025

Connecting Oman to global trade

Issue Manager

Sohar International

Joint Global Coordinators

Sohar International

Oman Investment Bank

Three International Banks

Collection Agents

Sohar International, ahlibank, BankDhofar, bank muscat, CFI, Financial Services, Horizons Capital Markets, Al Afaq, Jabal Asset Management, NBO, Oman Arab Bank, U Capital, United Securities, Vision Capital


اسياد
ASYAD
SHIPPING

His Majesty Sultan Haitham bin Tarik

Asyad Shipping Company SAOG

(under transformation)

Madinat AlSultan Qaboos, Bousher

PO Box 104, Postal Code 118

Muscat Governorate, Sultanate of Oman

Initial Public Offering of 1,041,748,856 Offer Shares

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1,041,748,856 existing ordinary shares (the "**Offer Shares**") of the total 5,208,744,280 ordinary shares of Asyad Shipping Company SAOG (under transformation) (the "**Company**") with a value of Bzs 25 each ("the **Shares**") are being offered in an offering (the "**Offer**") by Asyad Group SAOC (the "**Selling Shareholder**" or "**Asyad Group**"). The Company and the Selling Shareholder reserve the right to amend the size of the Offer at any time prior to the end of the Offer Subscription Period (as defined below) in their sole discretion, subject to applicable laws and the approval of the Financial Services Authority of Oman (the "**FSA**"). The Company will not receive any of the proceeds of the sale of the Offer Shares, all of which will be paid to the Selling Shareholder.

The Offer comprises an offering of Offer Shares: (i) in Oman in accordance with Omani laws (including the SAOG Executive Regulations); and (ii) outside the United States to certain institutional investors in reliance on Regulation S ("**Regulation S**") under the U.S. Securities Act of 1933, as amended (the "**Securities Act").**

Prior to the Offer, there has been no public market for the Offer Shares. The Company will apply for the Shares (including, the Offer Shares) to be listed on the Muscat Stock Exchange (the "**MSX**") under the symbol "ASCO" (the "**Admission**"). There will be no conditional dealings in the Offer Shares prior to Admission. It is expected that Admission will become effective and that dealings in the Offer Shares will commence on the MSX on or about 12 March 2025, or such other date (the "**Listing Date**") as may be notified by the Joint Global Coordinators (as defined below).

All investors will be allotted Offer Shares at the Offer Price (as defined below), which will be determined by the Selling Shareholder, in consultation with the Joint Global Coordinators, following the Category I bookbuilding process.

The Company has received irrevocable commitments from the Anchor Investors (as defined below), subject to the terms contained in the Anchor Investment Agreements (as defined in "*Chapter XX — Subscription and Sale — Anchor Investors*") to subscribe to the Offer at the top of the Price Range (as defined below). The following table provides details regarding such subscriptions:

Name of Anchor Investor	**Number of Shares Subscribed for at the Offer Price**[1]	**Subscription Amount at the Offer Price**[1] **(OMR)**	**% of Offer**
Falcon Investments LLC[2]	208,349,771	25,627,021.833	20%
Mars Development and Investment LLC	104,174,886	12,813,510.978	10%
Total	**312,524,657**	**38,440,533**	**30%**

[2] Falcon Investments LLC is a subsidiary of Qatar Investment Authority, the sovereign wealth fund of the State of Qatar.

Refer to “*Chapter VIII – Shareholding Details*” for more details on the Anchor Investors.

Investing in the Offer Shares involves significant risks. Prospective investors should read this document in its entirety and, in particular, prospective investors are advised to examine all of the risks that are relevant in connection with an investment in the Offer Shares. See “*Chapter IV— Risk Factors*” for a discussion of certain risks and other factors that should be considered before making an investment decision with respect to the Offer.

The Offer Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Offer Shares are being offered and sold outside the United States in reliance on Regulation S. For a description of these and certain further restrictions on offers, sales and transfers of the Shares and the distribution of this Prospectus (the “**Prospectus**”), see “*Selling Restrictions*” below and “*Chapter XIX—Subscription Conditions and Procedures*”.

The Offer Shares are offered by the Joint Global Coordinators, the Issue Manager and the Collection Agents named herein on behalf of the Selling Shareholder when, as and if delivered to, and accepted by them, subject to their right to reject orders in whole or in part.

Investors will be required to make full payment for the subscribed Offer Shares to the Collection Agents and the Collection Agents shall transfer the subscription proceeds to the Issue Manager, at least one Oman business day prior to the Settlement Date (as defined below), or such earlier date as required by the Joint Global Coordinators, and delivery of the Offer Shares is expected to be made on the Settlement Date through the book-entry facilities operated by the Muscat Clearing & Depository Company SAOC (“**MCDC**”).

The Financial Services Authority (the “**FSA**”) assumes no responsibility for the accuracy and adequacy of the statements and information contained in this Prospectus nor will it have any liability for any damage or loss resulting from the reliance upon or use of any part of the same by any person. This Prospectus has been prepared in accordance with the requirements as prescribed by the FSA.

This Prospectus does not constitute an offer to sell or an invitation by or on behalf of the Company to subscribe to any of the Offer Shares in any jurisdiction outside Oman where such distribution is, or may be, unlawful.

The Offer Shares may be illiquid and prospective investors in the Offer Shares may be required to bear the financial risks of this investment for an indefinite period of time and should conduct their own due diligence on the securities. If you do not understand the contents of this Prospectus, you should consult an authorised financial adviser.

<table>
<tr><td colspan="6">The Company</td></tr>
<tr><td colspan="6">Asyad Shipping Company SAOG (under transformation)
Madinat AlSultan Qaboos, Bousher
PO Box 104, Postal Code 118
Muscat Governorate, Sultanate of Oman</td></tr>
<tr><td colspan="6">SELLING SHAREHOLDER</td></tr>
<tr><td colspan="6">Asyad Group SAOC
P.O. Box 470, P.C. 115
Madinat Sultan Qaboos, Muscat, Sultanate of Oman</td></tr>
<tr><td colspan="6">JOINT GLOBAL COORDINATORS AND JOINT BOOKRUNNERS</td></tr>
<tr><td colspan="2">An international bank</td><td colspan="2">An international bank</td><td colspan="2">An international bank</td></tr>
<tr><td colspan="3">Oman Investment Bank SAOC
Al Khuwair, Boushar
P.O. Box 10, PC 133, Muscat
Sultanate of Oman</td><td colspan="3">Sohar International Bank SAOG
Waterfront, Al Qurum, Muscat Governance
P.O Box 44, Hai Al Mina, Postal Code 114
Sultanate of Oman</td></tr>
<tr><td colspan="6">JOINT BOOKRUNNERS</td></tr>
<tr><td colspan="3">An international bank</td><td colspan="3">An international bank</td></tr>
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Sohar International Bank SAOG Waterfront, Al Qurum, Muscat Governance P.O Box 44, Hai Al Mina, Postal Code 114 Sultanate of Oman	
COLLECTION AGENTS	
Sohar International Bank SAOG PO Box 44, Hai Al Mina, Postal Code 114 Muscat, Sultanate of Oman	**Bank Muscat SAOG** PO Box 134, Postal Code 112 Muscat, Sultanate of Oman
Bank Dhofar SAOG PO Box 1507, Postal Code 112, Ruwi Muscat, Sultanate of Oman	**Ahli Bank SAOG** PO Box 545, Postal Code 116, Mina Al Fahal Muscat, Sultanate of Oman
Oman Arab Bank SAOG PO Box 2240, Postal Code 130, Al Ghubrah North Muscat, Sultanate of Oman	**National Bank of Oman SAOG** PO Box 751, Postal Code 112, Ruwi Muscat, Sultanate of Oman
Jabal Asset Management LLC PO Box 2209, Postal Code 13, North Alkhuwair Muscat, Sultanate of Oman	**Horizons Capital Markets SAOC** PO Box 685, Postal Code 115 Muscat, Sultanate of Oman
Vision Securities LLC PO Box 712, Postal Code 131 Muscat, Sultanate of Oman	**United Securities LLC** PO Box 2566, Postal Code 112 Muscat, Sultanate of Oman
Ubhar Capital SAOC PO Box 1137, Postal Code 111 Muscat, Sultanate of Oman	**CFI Financial LLC** PO Box 123, Postal Code 114 Muscat, Sultanate of Oman
Financial Services Company SAOG PO Box 2777, Postal Code 112 Ruwi, Sultanate of Oman	
LEGAL ADVISERS TO THE COMPANY	
As to Omani Law	*As to English and United States Law*
MAQ Legal (Al Maamary, Al Abri & Co.) The 1991 Office Building, Suite No.321 / 322, PO Box 1963, Postal Code 130, Bousher, Muscat, Sultanate of Oman	**Linklaters LLP** One Silk Street, London EC2Y 8HQ United Kingdom
LEGAL ADVISERS TO THE JOINT GLOBAL COORDINATORS, THE JOINT BOOKRUNNERS, THE ISSUE MANAGER AND THE COLLECTION AGENTS	
As to English and United States Law	
Allen Overy Shearman Sterling LLP One Bishops Square London E1 6AD United Kingdom	**Allen Overy Shearman Sterling LLP** 5th Floor, Al Mamoura Building B Muroor Road P.O. Box 7907, Abu Dhabi United Arab Emirates

INDEPENDENT AUDITOR
KPMG LLC Children's Public Library Building 4th Floor Shatti Al Qurum, P.O. Box 641, Postal Code 112, Muscat Sultanate of Oman

The Financial Services Authority (the "**FSA**") assumes no responsibility for the accuracy and adequacy of the statements and information contained in this Prospectus nor will it have any liability for any damage or loss resulting from the reliance upon or use of any part of the same by any person. This Prospectus has been prepared in accordance with the requirements as prescribed by the FSA. This is an unofficial English language translation of the Prospectus prepared in the Arabic language and approved by the FSA in accordance with Administrative Decision no. KH/5/2025 dated 17 February 2025.

This Prospectus does not constitute an offer to sell or an invitation by or on behalf of the Company to subscribe to any of the Shares in any jurisdiction outside Oman where such distribution is, or may be, unlawful.

IMPORTANT INFORMATION

The aim of this Prospectus is to present material information that may assist investors to make an appropriate decision as to whether or not to invest in the Offer Shares pursuant to the Offer.

To the best of the knowledge and belief of the Company and its Board members, this Prospectus includes all material information and data, and does not contain any misleading information or omit any material information that would have a positive or negative impact on an investor's decision of whether or not to invest in the Offer Shares.

The Board members are jointly and severally responsible for the completeness and accuracy of the information contained in this Prospectus. To the best of the knowledge and belief of the Board members, who have taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is accurate and complete in all material respects and no material facts, the omission of which would make misleading any statements of fact or opinion herein, have been omitted.

None of the Joint Bookrunners (as defined herein), the Issue Manager (as defined herein), the Collection Agents (as defined herein) or any of their respective affiliates, directors, officers, employees or agents accepts any responsibility whatsoever for, or makes any representation or warranty, express or implied as to the accuracy, completeness or verification of the information set forth in this Prospectus, and nothing in this Prospectus is, or shall be relied upon as a promise or representation in this respect, whether as to the past or future. None of the Joint Bookrunners, the Issue Manager, the Collection Agents nor their respective affiliates, directors, officers, employees or agents assumes any responsibility for the accuracy, completeness or verification of the Prospectus and, accordingly, disclaims, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which it may otherwise have in respect of this Prospectus or any such statement.

The information contained in this Prospectus may not be published, duplicated, copied or disclosed in whole or in part or otherwise used for any purpose other than in connection with the Offer, without the prior written approval of the Company, the Selling Shareholder and the Joint Global Coordinators (as defined herein).

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities other than the securities to which it relates or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, such securities by any person in any circumstances in which such offer or solicitation is unlawful.

THIS PROSPECTUS CONTAINS INFORMATION THAT IS SUBJECT TO COMPLETION AND CHANGE. NO OFFER OF SECURITIES WILL BE MADE AND NO INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THIS PROSPECTUS ALONE, BUT ONLY ON THE BASIS OF THIS PROSPECTUS AS FINALISED AND COMPLETED BY THE PRICING STATEMENT (AS DEFINED BELOW).

Recipients of this Prospectus are authorised solely to use this Prospectus for the purpose of considering the acquisition of the Offer Shares, and may not reproduce or distribute this Prospectus, in whole or in part, and may not disclose any of the contents of this Prospectus or use any information herein for any purpose other than considering an investment in the Offer Shares. Such recipients of this Prospectus agree to the foregoing by accepting delivery of this Prospectus.

Prior to making any decision as to whether to subscribe for the Offer Shares, prospective investors should carefully read this Prospectus in its entirety and, in particular, the section titled "*Risk Factors*" when considering an investment in the Company. Prospective investors should not consider this Prospectus a recommendation by the Company or the Selling Shareholder to purchase the Offer Shares. Every investor is responsible for obtaining his, her or its own independent professional advice on an investment in the Offer Shares and for conducting an independent valuation of the information and assumptions contained herein using appropriate analysis or projections. All equity investments carry market risks to varying degrees. The value of any security can fall as well as rise depending on the market conditions. Potential investors should read "*Chapter IV— Risk Factors*" of this Prospectus for an outline of important risk factors impacting the Company's business and the industry in which it operates.

In making an investment decision, prospective investors must rely upon their own examination, analysis and enquiry of the Company, the terms of this Prospectus and the Offer, including the merits and risks involved in making an investment. The prospective investors also acknowledge that: (i) they have not relied on the Joint Bookrunners, the Issue Manager or the Collection Agents or any person affiliated with the Joint Bookrunners, the Issue Manager or the Collection Agents in connection with any investigation of the accuracy of any information contained in this Prospectus or their investment decision; (ii) they have relied only on the information contained in this Prospectus as finalised and completed by the Pricing Statement (as defined below); and (iii) that no person has been authorised to give any information or to make any representation concerning the Company or its subsidiaries or the Offer Shares (other than as contained in this Prospectus) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company, the Selling Shareholder, Joint Bookrunners, the Issue Manager or the Collection Agents. Neither the delivery of this Prospectus nor any sale made hereunder shall under any circumstances imply that there has been no change in the Company's affairs or that the information set forth in this Prospectus is correct as at any date subsequent to the date hereof.

None of the Company, the Selling Shareholder, the Joint Bookrunners, the Issue Manager or Collection Agents, or any of their respective representatives, is making any representation to any prospective investor in the Shares regarding the legality of an investment in the Shares by such prospective investor under the laws applicable to such prospective investor. The contents of this Prospectus should not be construed as legal, financial, or tax advice. Each prospective investor should consult his, her or its own legal, business, financial or tax adviser for legal, business, financial or tax advice applicable to an investment in the Shares.

None of the Company, the Selling Shareholder, the Joint Bookrunners, the Issue Manager or Collection Agents accepts any responsibility for the accuracy, completeness or verification of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media, regarding the Offer or the Company. None of the Company, the Selling Shareholder, the Joint Bookrunners, the Issue Manager or the Collection Agents makes any representation as to the appropriateness, accuracy, completeness, reasonableness, verification or reliability of any such information or publication.

Oman Investment Bank SAOC ("**Oman Investment Bank**") and Sohar International Bank SAOG ("**Sohar International**") and three international banks have been appointed as joint global coordinators (the "**Joint Global Coordinators**") of the Offer, two international banks have, together with the Joint Global Coordinators, been appointed as joint bookrunners (the "**Joint Bookrunners**") of the Offer and Sohar International have been appointed as issue manager of the Offer (the "**Issue Manager**"). Sohar International is authorised and regulated by the CBO and the FSA. Sohar International, Bank Muscat S.A.O.G., Ahli Bank S.A.O.G., Bank Dhofar S.A.O.G., National Bank of Oman S.A.O.G., Oman Arab Bank S.A.O.G., Horizons Capital Markets S.A.O.C., Jabal Asset Management LLC, Ubhar Capital S.A.O.C., United Securities LLC, Vision Securities LLC, CFI Financial LLC and Financial Services Company S.A.O.G. have been appointed as collection agents (the "**Collection Agents**").

The Joint Bookrunners, the Issue Manager and the Collection Agents are acting exclusively for the Company and the Selling Shareholder and no one else in connection with the Offer and will not regard any other person (whether or not a recipient of this document) as their respective clients in relation to the Offer and will not be responsible to anyone other than the Company and the Selling Shareholder for providing the protections afforded to their respective clients nor for giving advice in relation to the Offer or any transaction or arrangement referred to herein.

In connection with the offer of the Offer Shares, each of the Joint Bookrunners, the Issue Manager and the Collection Agents and any of their respective affiliates, may take up a portion of the Offer Shares in the Offer as a principal position and in that capacity may retain, purchase or sell for its own account Offer Shares or related investments and may offer or sell such Offer Shares or related investments otherwise than in connection with the Offer. Accordingly, references in the Prospectus to the Offer Shares being offered or placed should be read as including any offering or placement of Offer Shares to any of the Joint Bookrunners, the Issue Manager and the Collection Agents or any of their respective affiliates acting in such capacity. In addition, certain of the members of Joint Bookrunners, the Issue Manager and Collection Agents or their affiliates may enter into financing arrangements (including swaps, warrants or contracts for differences) with prospective investors in connection with which such members of the Joint Bookrunners, the Issue Manager and Collection Agents or their affiliates may from time to time acquire, hold or dispose of Offer Shares. None of the Joint Bookrunners, the Issue Manager nor the Collection Agents intends to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

No person has been authorised to make any statements or provide information in relation to the Company or the Offer Shares other than the persons whose names are indicated in this Prospectus. Where any person, other than a person authorised by the Company or the Joint Bookrunners, the Issue Manager and Collection Agents, makes any statement or provides information, it should not be taken as authorised by the Company or the Joint Bookrunners, the Issue Manager and the Collection Agents.

The Offer relates to securities to be listed on the MSX and potential Applicants should be aware that this Prospectus and any other documents or announcements relating to the Offer have been or will be prepared solely in accordance with the disclosure requirements applicable to a company listed on the MSX, and such requirements may differ from those applicable in any other jurisdiction.

NOTICE TO INVESTORS

The distribution of this Prospectus and the offer of the Offer Shares may, in certain jurisdictions, be restricted by law or may be subject to prior regulatory approvals. No action has been made or will be taken by the Company, the Selling Shareholder, the Joint Bookrunners, the Issue Manager or the Collection Agents to permit a public offering of the Offer Shares or to permit the possession or distribution of this Prospectus (or any other offering or publicity materials relating to the Offer Shares) in any jurisdiction where action for that purpose may be required, other than Oman.

This Prospectus does not constitute an offer or an invitation by or on behalf of the Company to any person in any jurisdiction outside Oman to subscribe to any of the Offer Shares where such offer or invitation would be unlawful. This Prospectus may not be distributed in any jurisdiction where such distribution is, or may be, unlawful. The Company, the Joint Bookrunners, the Issue Manager and the Collection Agents require persons into whose possession this Prospectus comes, to inform themselves of and observe all such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. None of the Company, the Joint Bookrunners, the Issue Manager or the Collection Agents or any of their respective directors, managers, accountants, advisers and employees accept any legal responsibility for any violation of any such restrictions on the sale, offer to sell or solicitation to subscribe for the Offer Shares by any person, whether or not a prospective Applicant, in any jurisdiction outside Oman where such sale, offer to sell or solicitation to subscribe would be unlawful.

The Offer Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations and CML Executive Regulations.

Applicants should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time, ***see "Selling Restrictions" below.***

SELLING RESTRICTIONS

Other than in Oman, no action has been taken or will be taken in any jurisdiction that would permit a public offering of the Offer Shares or the possession, circulation or distribution of this Prospectus or any other material relating to the Company or the Offer Shares, in any country or jurisdiction where action for that purpose is required. Accordingly, the Offer Shares may not be offered or sold, directly or indirectly, nor may this Prospectus or any other offering material or advertisement or other document or information in connection with the Offer Shares be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

United States

The Offer Shares have not been and will not be registered under the Securities Act or under any applicable securities laws or regulations of any state of the United States and, subject to certain exceptions, may not be offered or sold within the United States.

The Offer Shares are being offered and sold outside the United States in reliance on Regulation S.

In addition, until 40 days after the commencement of the Offer, an offer or sale of Offer Shares within the United States by any dealer (whether or not participating in the Offer) may violate the registration requirements of the Securities Act.

United Kingdom

No Offer Shares have been offered or will be offered pursuant to the Offer to the public in the UK prior to the publication of a prospectus in relation to the Offer Shares which has been approved by the Financial Conduct Authority in the UK in accordance with the UK Prospectus Regulation and the Financial Services and Markets Act 2000 (the "**FSMA**"), except that offers of Offer Shares may be made to the public in the UK at any time under the following exemptions under the UK Prospectus Regulation and the FSMA:

(i) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined under the UK Prospectus Regulation), subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or

(iii) in any other circumstances falling within Section 86 of the FSMA,

provided that no such offer of Offer Shares shall require the Company or any Joint Bookrunner, the Issue Manager or Collection Agent to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the Offer Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to purchase, or subscribe for, any Offer Shares.

This Prospectus is only being distributed to, and is only directed at, persons who are qualified investors as defined under the UK Prospectus Regulation and who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion)

Order 2005 (the "**Order**"), (ii) are persons falling within Article 49(2)(a) to (2d) of the Order, (iii) are outside the UK, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as the "**Relevant Persons**"). The Offer Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Offer Shares will be engaged only with the Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Prospectus or any of its contents.

The Offer Shares are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the United Kingdom. For these purposes, a "retail investor" means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation.

European Economic Area

In relation to each member state of the European Economic Area (the "**EEA**") which has implemented the Prospectus Regulation (each a "**Relevant Member State**"), no Offer Shares have been offered or will be offered pursuant to the Offer to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Offer Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Regulation, except that Offer Shares may be offered to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Regulation, if they are implemented in that Relevant Member State:

(i) to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;

(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or

(iii) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Offer Shares shall result in a requirement for the publication by the Company or any Joint Bookrunner, the Issue Manager or Collection Agent to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation or any measure implementing the Prospectus Regulation in a Relevant Member State, and each person who initially acquires any Offer Shares or to whom any offer is made under the Offer will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" as defined in the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the Offer Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Regulation in that Relevant Member State; the expression "Prospectus Regulation" means Regulation (EU) 2017/1129 and includes any relevant implementing measure in each Relevant Member State.

In the case of any Offer Shares being offered to a financial intermediary as that term is used in Article 5(1) of the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Offer Shares acquired by it in the Offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer to the public other than their offer or resale in a Relevant Member State to qualified investors, in circumstances in which the prior consent of the Joint Global Coordinators has been obtained to each such proposed offer or resale. The Company, the Selling Shareholder, the Joint Bookrunners, the Issue Manager, the Collection Agents and their respective affiliates will rely (and the Company and the Selling Shareholder each acknowledge that the Joint Bookrunners, the Issue Manager, the Collection Agents and their respective affiliates and others will rely) upon the truth and accuracy of the foregoing representations, acknowledgements and agreements and will not be responsible for any loss occasioned by such reliance. Notwithstanding the above, a person who is not a qualified investor and who has notified the Joint Bookrunners, the Issue Manager and the Collection Agents of such fact in writing may, with the consent of the Joint Global Coordinators, be permitted to subscribe for or purchase Offer Shares.

Kingdom of Bahrain

The Offer Shares have not been offered or sold, and will not be offered or sold, to any person in the Kingdom of Bahrain except on a private placement basis to persons who are “accredited investors”. For this purpose, an “accredited investor” means:

(i) an individual holding financial assets (either singly or jointly with a spouse) of U.S.$1,000,000 or more;

(ii) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.$1,000,000; or

(iii) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund).

This offer does not constitute an offer of securities in the Kingdom of Bahrain in terms of Article 81 of the Central Bank and Financial Institutions Law 2006 (Decree Law No. 64 of 2006). This Prospectus and related offering documents have not been and will not be registered as a prospectus with the Central Bank of Bahrain. Accordingly, no securities may be offered, sold or made the subject of an invitation for subscription or purchase nor will this Prospectus or any other related document or material be used in connection with any offer, sale or invitation to subscribe or purchase securities, whether directly or indirectly, to persons in the Kingdom of Bahrain, other than to accredited investors for an offer outside Bahrain.

The Central Bank of Bahrain has not reviewed, approved or registered this Prospectus or related offering documents and it has not in any way considered the merits of the securities to be offered for investment, whether in or outside the Kingdom of Bahrain. Therefore, the Central Bank of Bahrain assumes no responsibility for the accuracy and completeness of the statements and information contained in this document and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this document.

State of Kuwait

This Prospectus is provided on an exclusive basis to the specifically intended recipient thereof, upon that person’s request and initiative, and for the recipient’s personal use only and is not intended to be available to the public.

This Prospectus has not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Kuwaiti Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Shares in the State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Decree Law No. 31 of 1990 and the implementing regulations thereto, as amended, and Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of securities in the State of Kuwait ("**Kuwait Securities Laws**").

Hence, the Offer Shares have not been and will not be offered, sold, promoted or advertised in the State of Kuwait except on the basis that an offer is made in compliance with the Kuwait Securities Laws, no private or public offering of the Shares is or will be made in the State of Kuwait, no agreement relating to the sale of the Offer Shares will be concluded in the State of Kuwait, and no marketing or solicitation or inducement activities are being used to offer or market the Shares in the State of Kuwait.

Any distribution of this Prospectus shall be at the liability of the distributor.

State of Qatar

The Offer Shares have not been and will not be offered, sold or delivered, at any time, directly or indirectly in the State of Qatar in a manner that would constitute a public offering. No application has been or will be made for the Offer Shares to be listed or traded on the Qatar Stock Exchange or in the Qatar Financial Centre. This Prospectus has not been licensed for offering, promotion, marketing, advertisement or sale in the State of Qatar or in the Qatar Financial Centre or the inward marketing of an investment fund or an attempt to do business, as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre. This Prospectus has not been, and will not be, reviewed or approved by or registered or filed with the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or Qatar Central Bank and may not be publicly distributed. This Prospectus is intended for the original recipient only and must not be provided to any other person. This Prospectus is not for general circulation in the State of Qatar and may not be reproduced or used for any other purpose.

United Arab Emirates (excluding the ADGM and the DIFC)

This Prospectus is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient and may not be reproduced or used for any other purpose. If you are in any doubt about the contents of this Prospectus, you should consult an authorised financial adviser.

By receiving this Prospectus, the person or entity to whom it has been issued understands, acknowledges and agrees that neither the Offer Shares nor this Prospectus have been approved by the United Arab Emirates ("**UAE**") Central Bank, the UAE Ministry of Economy, the UAE Securities and Commodities Authority or any other authorities in the United Arab Emirates. The Joint Bookrunners, the Issue Manager and the Collection Agents have not received authorisation or licensing from the UAE Central Bank, the UAE Ministry of Economy, the UAE Securities and Commodities Authority or any other authorities in the United Arab Emirates to market or sell the Offer Shares within the United Arab Emirates. No marketing or offer of the Offer Shares has been or will be made from within the United Arab Emirates and no subscription to the Offer Shares may or will be consummated within the United Arab Emirates, in each case other than in compliance with the laws of the United Arab Emirates. It should not be assumed that any Joint Bookrunner, the Issue Manager or Collection Agent is a licensed broker, dealer or investment adviser under the laws applicable in the United Arab Emirates, or that either advises individuals resident in the United Arab Emirates as to the appropriateness of investing in or purchasing or selling securities or other financial products. The Offer Shares may not be offered or sold directly or indirectly to the public in the United Arab Emirates. This Prospectus does not constitute a public offer of securities in the United Arab Emirates in accordance with the UAE Commercial Companies Law, Federal Law No. 32 of 2021 (as amended) or otherwise.

Nothing contained in this Prospectus is intended to constitute investment, legal, tax, accounting or other professional advice. This Prospectus is for your information only and nothing in this Prospectus is intended to endorse or recommend a particular course of action. You should consult with an appropriate professional for specific advice rendered on the basis of your situation.

Abu Dhabi Global Market (ADGM)

This Prospectus relates to an Offer which is not subject to any form of regulation or approval by the Financial Services Regulatory Authority ("**FSRA**") of the Abu Dhabi Global Market ("**ADGM**"). The FSRA has not approved this document nor does it have any responsibility for reviewing or verifying any document or other documents in connection with this Offer. Accordingly, the FSRA has not approved this document or any other associated documents nor taken any steps to verify the information set out in this document, and has no responsibility for it.

The Offer Shares have not been offered and will not be offered to any persons in the ADGM except on the basis that an offer is:

(i) an "Exempt Offer" in accordance with the FSRA Financial Services and Markets Regulations and Markets Rules; and

(ii) made only to persons who are "Authorised Persons" or "Recognised Bodies" (as such terms are defined in the Financial Services and Markets Regulations 2015 ("**FSMR**")) or persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 18 of the FSMR) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated.

The FSRA has not taken steps to verify the information set out in this Prospectus, and has no responsibility for it. If you do not understand the contents of this Offer or are unsure whether the securities to which the Offer relates are suitable for your individual investment objectives and circumstances, you should consult an authorised financial adviser.

Dubai International Financial Centre (DIFC)

This Prospectus relates to an Offer which is not subject to any form of regulation or approval by the Dubai Financial Services Authority ("**DFSA**"). The DFSA has not approved this Prospectus nor does it have any responsibility for reviewing or verifying any document in connection with the Offer. Accordingly, the DFSA has not approved this Prospectus or any other associated documents nor taken any steps to verify the information set out in this Prospectus, and has no responsibility for it.

The Offer Shares have not been offered and will not be offered to any persons in the Dubai International Financial Centre ("**DIFC**") except on the basis that an offer is:

(i) an "Exempt Offer" in accordance with the Markets Rules module of the DFSA; and

(ii) made only to persons who meet the "Deemed Professional Client" criteria set out in the DFSA Rulebook, Conduct of Business Module, who are not natural persons.

This Prospectus must not, therefore, be delivered to, or relied on by, any other type of person. The Offer to which this document relates may be illiquid and/or subject to restrictions on its resale. Prospective purchasers should conduct their own due diligence on the Offer.

The DFSA has not taken steps to verify the information set out in this Prospectus, and has no responsibility for its accuracy. If you do not understand the contents of this Offer or are unsure whether the securities to which this the Offer relates are suitable for your individual investment objectives and circumstances, you should consult an authorised financial adviser.

Kingdom of Saudi Arabia (the "KSA")

This document may not be distributed in the Kingdom of Saudi Arabia, except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If a prospective purchaser does not understand the contents of this document, they should consult an authorised financial adviser.

The Offer Shares must not be advertised, offered or sold and no memorandum, information circular, brochure or any similar document has or will be distributed, directly or indirectly, to any person in the KSA other than as permitted by the Saudi Regulations.

The offer of the Offer Shares in the KSA shall not constitute a "public offer" pursuant to the Saudi Regulations. Prospective investors are informed that Article 14 of the Saudi Regulations places restrictions on secondary market activity with respect to the Offer Shares. Any resale or other transfer, or attempted resale or other transfer, made other than in compliance with the Saudi Regulations shall not be recognised by the Company.

Switzerland

The offering of the Shares in Switzerland is exempt from the requirement to prepare and publish a prospectus under the Swiss Financial Services Act ("**FinSA**") because the shares are offered to fewer than 500 investors and the shares will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. This document does not constitute a prospectus or a similar document pursuant to FinSA, and no such prospectus has been or will be prepared for or in connection with the offering of the shares.

Japan

The Offer Shares have not been and will not be registered under the Financial Instruments and Exchange Law, as amended (the "**FIEL**"). This Prospectus is not an offer of securities for sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or entity organised under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements under the FIEL and otherwise in compliance with such law and any other applicable laws, regulations and ministerial guidelines of Japan.

Canada

The Offer Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal adviser.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this Offer.

Other Jurisdictions

Should this Prospectus be received by any person in any jurisdiction not mentioned in the foregoing, the receiving party should disregard this Prospectus in cases where the receipt of this Prospectus or its distribution is, or may be, unlawful. The Company, the Selling Shareholder, the Joint Bookrunners, the Issue Manager and the Collection Agents require persons into whose possession this Prospectus comes, to inform themselves of and observe, all relevant investing restrictions in their jurisdiction. None of the Company, the Selling Shareholder, the Joint Bookrunners, the Issue Manager or the Collection Agents accept any legal responsibility for any violation of any such restrictions on the sale, offer to sell or solicitation to subscribe for the Offer Shares by any person, whether or not a prospective investor, in any jurisdiction outside Oman where such sale, offer to sell or solicitation to subscribe would be unlawful.

FORWARD-LOOKING STATEMENTS

This Prospectus contains certain "forward-looking statements", which relate to, among other things, the Company's plans, objectives, goals, targets, strategies, future operational performance and anticipated developments in markets in which the Company operates and in which it may operate in the future. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the Company's control and all of which are based on the Company's current beliefs and expectations about future events. These forward-looking statements generally can be identified by the use of forward-looking terminology, including terms such as "aim", "anticipate", "assume", "believe", "could", "expect", "estimate", "goal", "intend", "may", "objective", "plan", "potential", "predict", "project", "shall", "should", "will", "will continue", "will pursue", "would", or the negative thereof, other variations thereon or comparable terminology. Similarly, statements that describe the Company's strategies, objectives, plans or goals are also forward-looking statements. They appear in a number of places throughout this Prospectus and include statements regarding intentions, beliefs and current expectations concerning, among other things, the Company's results of operations, financial condition, liquidity, prospects, growth, strategies, backlog, dividend policy and the industry in which the Company operates. In particular, the statements under the headings regarding the Company's strategy and other future events or prospects in the following sections are forward-looking statements: "*Chapter II—Summary Information Relating to the Company*", "*Chapter IV—Risk Factors*", "*Chapter X—Regulatory Framework*", "*Chapter XI— Industry Overview*", "*Chapter XII—Description of the*

Company and Business Overview", "Chapter XIV—Management's Discussion and Analysis of Financial Condition and Results of Operations" and *"Chapter XV—Dividend Policy".*

All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual outcomes, including among other things, the Company's result of operations, financial condition, cash flows, liquidity, financial projections and growth to differ materially from those contemplated by the relevant forward-looking statement. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure you that such expectations will prove to be correct. Given these uncertainties, you are cautioned not to place undue reliance on such forward-looking statements.

Important factors that could cause actual results to differ materially from the Company's expectations are contained in cautionary statements in this Prospectus, including, without limitation, in conjunction with the forward-looking statements included in this Prospectus and specifically under the section entitled "*Chapter IV—Risk Factors"* or the underlying assumptions. These factors include, but are not limited to:

- an inability to estimate future performance;
- an inability to successfully manage existing and new regulatory requirements that are imposed in relation to the Company's business;
- an inability to expand the Company's business;
- an inability to obtain necessary financing to fund capital expenditure projects;
- an inability to meet payment obligations;
- climate change and the decarbonisation impact on the Company's operations;
- a change in the monetary and/or interest policies of Oman, local and/or international inflation or local and/or international interest rates;
- fluctuations in foreign exchange rates, equity prices or other rates or prices;
- the performance of the financial markets in Oman;
- general political, economic and business conditions in Oman which may have an impact on the Company's business activities; and
- other risks set out in "*Chapter IV– Risk Factors*".

The above list is not exhaustive and for a further discussion of factors that could cause actual results to differ, see "*Chapter IV– Risk Factors*" of this Prospectus.

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could be materially different from those that have been estimated. The forward-looking statements contained in this Prospectus speak only as at the date of this Prospectus. None of the Company, Selling Shareholder, Joint Bookrunners, the Issue Manager or Collection Agents or any of their respective affiliates has any obligation to update or otherwise revise any statements in this Prospectus to reflect circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions prove incorrect or future gains or losses differ materially from the estimates made in this Prospectus. The Company, the Selling Shareholder, the Joint Bookrunners, the Issue Manager and the Collection Agents expressly disclaim any obligation or undertaking to update these forward-looking statements contained in this Prospectus to reflect any change in their expectations or any change in events, conditions or circumstances on which such statements are based, unless required to do so by applicable law.

Under no circumstances should the inclusion of such forward-looking statements in this Prospectus be regarded as a representation or warranty by the Company, the Selling Shareholder the Joint Bookrunners, the Issue Manager or the Collection Agents or any other person with respect to the achievement of the results set out in such statements.

After listing on the MSX, the Company will adhere to the disclosure rules and regulations issued by the FSA, which includes making timely disclosure regarding the Company's results of operation. The Company advises Applicants to track any information or announcements made by it after listing through the MSX website at *www.msx.om* in the event they subscribe for Offer Shares and become Shareholders.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Financial Data

The Company's audited consolidated financial statements as at and for the years ended (i) 31 December 2023 (which include the comparative consolidated financial information as at and for the year ended 31 December 2022) (the "**2023 Annual Financial Statements**") and (ii) 31 December 2022 (which include the comparative consolidated financial information as at and for the year ended 31 December 2021) (the "**2022 Annual Financial Statements**", and together with the 2023 Annual Financial Statements, the "**Annual Financial Statements**"), and the Company's audited interim consolidated financial statements as at and for the nine months ended 30 September 2024, together with the reviewed comparative consolidated financial information for the nine months ended 30 September 2023 (the "**Interim Financial Statements"**, and together with the Annual Financial Statements, the "**Financial Statements**") are set out in "*Chapter XXV— Historical Financial Statements*" of this Prospectus.

The Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board.

The Interim Financial Statements have been prepared in accordance with IFRS and the requirements of International Accounting Standard 34, "Interim Financial Reporting" ("**IAS 34**").

The Company's financial year commences on 1 January and ends on 31 December.

Non-IFRS Information and Certain Other Financial and Operational Data

Non-IFRS Information

The Company presents in this Prospectus certain measures to assess the financial performance of its business that are not measures of financial performance under IFRS or other generally accepted accounting principles. These selected non-IFRS financial measures comprise EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin, TCE Revenue, Crude Shipping TCE Revenue, Products Shipping TCE Revenue, Dry Bulk Shipping TCE Revenue, Gas Shipping TCE Revenue, Liner Shipping TCE Revenue, Cash Flow Margin, Net Debt (excluding leases), Net Leverage and Revenue Backlog (the "**Non-IFRS measures**").

The Company has presented these Non-IFRS Measures because it believes these are helpful to prospective investors and financial analysts in highlighting trends in the overall business of the Company and are used as supplemental measures of performance and liquidity.

None of the Non-IFRS Measures are a measurement of performance or liquidity under IFRS or any other generally accepted accounting principles and you should not consider these Non-IFRS Measures as an alternative to financial measures determined in accordance with IFRS or other generally accepted accounting principles. Non-IFRS Measures have limitations as analytical tools, and prospective investors should not consider them in isolation or as substitutes for analysis of the Company's financial performance reported in accordance with IFRS. Further, other companies, including those in the same industry, may calculate similarly titled financial measures differently from the Company.

The Non-IFRS Measures are Management's responsibility and are based on the Company's review of its financial results and estimates. Accordingly, the above information has not been audited or reviewed by any independent third party, such as independent auditors, consultants or experts, and is to be read in conjunction with the historical information presented, but is not intended to form part of Financial Statements. Prospective investors should not place undue reliance on the Non-IFRS Measures contained in this Prospectus.

The Company defines:

- “EBITDA” as earnings before interest (finance costs and finance income), taxes, depreciation and amortisation;
- “EBITDA Margin” as EBITDA divided by TCE Revenue, expressed as a percentage;
- “Adjusted EBITDA” as the sum of EBITDA and normalisation adjustments including one-off gains or losses on sale of fixed assets, dividend income, impairment losses on right-of-use assets, and further adjusted for, in respect of the year ended 31 December 2022, an averaging of repair and maintenance expenses;
- “Adjusted EBITDA Margin” as Adjusted EBITDA divided by TCE Revenue, expressed as a percentage;
- “Time Charter Equivalent (“**TCE**”) Revenue” as revenue less voyage operating costs;
- “Crude Shipping TCE Revenue” as revenue in the Crude Shipping segment less voyage operating costs in the Crude Shipping segment;
- “Products Shipping TCE Revenue” as revenue in the Products Shipping segment less voyage operating costs in the Products Shipping segment;
- “Dry Bulk Shipping TCE Revenue” as revenue in the Dry Bulk Shipping segment less voyage operating costs in the Dry Bulk Shipping segment;
- “Gas Shipping TCE Revenue” as revenue in the Gas Shipping segment less voyage operating costs in the Gas Shipping segment;
- “Liner Shipping TCE Revenue” as revenue in the Liner Shipping segment less voyage operating costs in the Liner Shipping segment;
- “Other TCE Revenue” as revenue in the Other segment less voyage operating costs in the Other segment;
- “Cash Flow Margin” as cash generated from operating activities divided by TCE Revenue, expected as a percentage;
- “Net Debt (excluding leases)” as current and non-current loans and borrowings and current and non-current fixed term and margin deposits, less cash and cash equivalents;
- “Net Leverage” as Net Debt (excluding leases) divided by Adjusted EBITDA; and
- “Revenue Backlog” as the contracted time charter rate multiplied by total number of days remaining until the end of contracted period.

Certain Operational Data

This Prospectus also contains a discussion of certain key performance indicators (“**KPIs**”) of the Company, including fleet utilisation rate, CO2 reduction rate and LTI frequency (each as defined below). These KPIs are derived from Management estimates and are based on operational, and not financial, data. These KPIs do not form part of the Company’s financial reporting records and have not been audited or reviewed by any independent third party such as independent auditors, consultants or experts. The computation methodology of these KPIs may not be comparable to the similar measures reported by other companies or by market reports or experts. Management believes that each of these measures is a useful indicator of the Company’s business and performance.

The Company defines:

- “Fleet utilisation rate” as 365 less the number of days in drydock, divided by 365;

- "CO_2 reduction rate" as the reduction rate in CO_2 as compared to the previous year, expressed as a percentage;
- "COC Average Rate" as the average rate per twenty-foot equivalent unit ("**TEU**") for carrier owned containers;
- "LTI frequency" as the number of Lost Time Incidents (as defined in this Offering Circular) per one million work hours;
- "SOC Average Rate" as the average rate per TEU for shipper owned containers; and
- "TCE Rate" as the time-weighted average time charter-out rate based on individual ship rates and the respective periods of charter.

Currency of Presentation

In this Prospectus, all references to "OMR" and/or "Omani Rial" are to the legal currency of Oman, and all references to "U.S.$" and/or "U.S. Dollars" are to the legal currency of the United States of America. Conversions of amounts from Omani Rials to U.S. Dollars in this Prospectus are solely for the convenience of the reader. The Omani Rial has been pegged to the U.S. Dollar since 1973 and the exchange rate has remained unchanged since June 1986. Unless otherwise specified, conversions of amounts between Omani Rials and U.S. Dollars have been made at an exchange rate of U.S.$1.00 = OMR 0.385.

Industry and Market Data

The Company has included in this Prospectus market data and other market information derived from industry publications, surveys or studies conducted by Management, third-party market consultants and market research firms, or publicly available information, in each case from sources that are generally believed to be reliable. The Company cannot assure you that any of the assumptions underlying any statements regarding the market are accurate or correctly reflect the Company's position in such market. Market data and statistics are inherently predictive and speculative and are not necessarily reflective of actual market conditions. Such data and statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, as well as information publicly available related to the size of the market, including judgments about what types of products and transactions should be included in the relevant market.

In addition, certain statistics, information relating to the Company's business and market (and other industry data in this Prospectus are based on a report, data and information prepared by Maritime Strategies International Ltd. ("**Market Consultant**") for the Company in connection with the Offer (collectively, the "**Market Report**"). The Market Report is dated 6 December 2024 and as such, addresses matters stated therein at that time or at the times otherwise specified therein and does not take into account any changes or developments which may have occurred since then. The Market Report contains the Market Consultant's forward-looking views, which were derived from its assumptions regarding the anticipated development of the market relevant to the Company. As at the date of this Prospectus, the Market Consultant has given, and not withdrawn, its consent for the use of its name and the statements in the manner and format set out in this Prospectus.

Industry and market data is subject to change and cannot always be verified with complete certainty due to limits in the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any survey of market size. External sources have been used for some of the information about the Company's peers in comparative jurisdictions, which have not been contacted to verify the accuracy or the completeness of the information included herein. While the Company believes that the information and data from third party sources contained in this Prospectus, including information and data derived from public sources or provided by the Market Consultant, is reliable, such information and data has not been independently verified by the Company, the Board, the Joint Bookrunners, the Issue Manager, the Collection Agents or the Selling Shareholder, and none of them bears any liability for the accuracy or completeness of such information or data. Accordingly, the market, economic, and industry data and statistics and any other information from such third-party sources included in this Prospectus should be viewed with caution.

In addition, in certain instances in this Prospectus, the Company has included its own estimates, assessments, adjustments and judgments in preparing market information, which have not been verified by an independent third-party. Such information is, to a certain degree, subjective. While the Company believes that its own estimates, assessments, adjustments and judgments are reasonable and that the market information prepared by the Company approximately reflects the industry and the market in which the Company operates, there is no assurance that the Company's own estimates, assessments, adjustments and judgments are the most appropriate for making determinations relating to market information or that market information prepared by other sources will not differ materially from the market information included herein.

Rounding

Certain data in this Prospectus, including financial, statistical and operating information, has been rounded. As a result of the rounding, the totals of data presented in this Prospectus may vary slightly from the actual arithmetic totals of such data. Percentages in tables have been rounded and accordingly may not add up to 100 per cent.

No Incorporation of Website Information

The contents of the Company's website, any available public information or statements or any website directly or indirectly linked to these websites have not been verified and do not form part of, and are not incorporated by reference into, this Prospectus, and prospective investors should not rely on the foregoing.

TABLE OF CONTENTS

Chapter I
Abbreviations and Definitions

2022 Annual Financial Statements	The Company's audited consolidated financial statements as at and for the year ended 31 December 2022 (which includes the comparative financial information as at and for the year ended 31 December 2021).
2023 Annual Financial Statements	The Company's audited consolidated financial statements as at and for the year ended 31 December 2023 (which includes the comparative financial information as at and for the year ended 31 December 2022).
AAOIFI	Accounting and Auditing Organisation for Islamic Financial Institutions
ABS	American Bureau of Shipping.
Admission	The listing of the Shares on MSX under the symbol "ASCO".
AGM	An annual general meeting of the Shareholders.
Anchor Investor(s)	Investors identified as anchor investors in "*Chapter VIII – Shareholding Details*" being Falcon Investments LLC and Mars Development and Investment LLC.
Annual Financial Statements	The 2022 Annual Financial Statements and the 2023 Annual Financial Statements.
Applicant	A Category I Applicant or Category II Applicant.
Application	The application form used to apply for Offer Shares pursuant to the terms of this Prospectus.
Application Revision Form	The application form used by a Category I Applicant to revise the bids submitted in the Category I Offer, pursuant to the terms of this Prospectus.
Application Money	The amount to be paid by each Applicant at the time of submission of an Application as specified in "*Chapter XIX – Subscription Conditions and Procedures*" of this Prospectus.
Articles	The articles of association of the Company, prepared in accordance with the FSA format.
ASL	Asyad Line LLC.
ASMC	Asyad Ship Management Company SPC.
ASPL	Asyad Shipping Pte. Ltd.
Asyad Group	Asyad Group SAOC.
Auditor	KPMG LLC.
Basis of Allotment	The basis on which the Offer Shares will be allotted to Applicants under the Offer and which is described in section "*Basis of Allotment*" under "*Chapter XIX – Subscription Conditions and Procedures*" of this Prospectus.

Bid Amount	Bid price multiplied by the total Offer Shares demanded at the bid price.
Board/Board of Directors	The board of directors of the Company.
BWTS	Ballast water treatment system.
Bzs	Omani Baisas, a subunit of the Omani Rial (OMR), which is the national currency of the Sultanate of Oman, with 1,000 Baisas being equivalent to 1 Omani Rial.
Category I Application Money	The highest Bid Amount from all the bids in the Application in Category I. Refer to "*Chapter XIX– Subscription Conditions and Procedures*" for an illustration of the calculation of Category I Application Money.
Category II Application Money	The amount to be paid by each Category II Applicant at the time of submission of his/her Application at a fixed price as specified in "*Chapter XIX – Subscription Conditions and Procedures*" of this Prospectus.
Category I Applicants	Category I Applicants who apply for Offer Shares in the Category I Offer for a minimum of 100,000 Shares and in multiples of 100 Offer Shares thereafter.
Category II Applicants	Category II Applicants (small retail) together with Category II Applicants (large retail).
Category II Applicants (large retail)	Individuals who apply for Offer Shares in the Category II Offer for a minimum of 81,400 Offer Shares and in multiples of 100 Offer Shares thereafter.
Category II Applicants (small retail)	Individuals who apply for Offer Shares in the Category II Offer for a minimum of 1,000 Offer Shares and a maximum of 81,300 Offer Shares and in multiples of 100 Offer Shares thereafter.
Category I Offer	Category I Offer as set out in "*Chapter XIX – Subscription Conditions and Procedures*".
Category I Offer Opening Date	The opening date of the Category I Offer, which is described in "*Chapter XIX – Subscription Conditions and Procedures*" of this Prospectus.
Category I Offer Closing Date	The closing date with respect to the Category I Offer, which is described in "*Chapter XIX – Subscription Conditions and Procedures*" of this Prospectus.
Category II Offer	Category II Offer as set out in "*Chapter XIX – Subscription Conditions and Procedures*".
Category II Offer Opening Date	The opening date of the Category II Offer, which is described in "*Chapter XIX – Subscription Conditions and Procedures*" of this Prospectus.
Category II Offer Closing Date	The closing date with respect to the Category II Offer, which is described in "*Chapter XIX – Subscription Conditions and Procedures*" of this Prospectus.
CBO	The Central Bank of Oman.

CCL	The Commercial Companies Law of Oman issued by Royal Decree 18/2019.
CCL Executive Regulations	The Commercial Companies Regulations issued by MOCIIP Decision No.146/2021.
CCS	Carbon Capture and Storage.
CGT	Compensated Gross Tons.
CH_3OH	Methanol.
Chairman	The chairman of the Board.
CII	Carbon Intensity Indicator.
CML Executive Regulations	Regulations issued by the FSA under the Decision 1/2009 – issuing "*Executive Regulation of the Capital Market Law*", as amended.
CO2	Carbon dioxide.
COA	Contract of Affreightment.
COC	Carrier owned containers.
Code	The FSA Code of Corporate Governance for Public Joint Stock Companies issued by the FSA pursuant to Decision No. E/10/2016, as amended.
Collection Agents	Banks and brokers appointed to collect bids and subscriptions for the Offer.
Commercial Register	The commercial register maintained by the MOCIIP pursuant to the Commercial Register Law issued by Royal Decree 3/1974, as amended.
Company	Asyad Shipping Company SAOG (under transformation).
Council of Ministers	An executive branch of the Government, responsible for implementing policies, overseeing government administrations, and advising the Sultan. It is chaired by the Sultan and comprises ministers in charge of various Government ministries and agencies.
CSR	Corporate social responsibility.
DCS	IMO's Data Collection System.
DFDE/TFDE	Dual- and tri-fuel diesel electric.
DWT	Deadweight tonnes.
E-IPO Application	The Application pursuant to the E-IPO Mechanism.
E-IPO Mechanism	The mechanism to apply for the Offer Shares through one of the 'E-IPO channels' offered by Collection Agents.
E-IPO Platform	The platform available to the Category II Applicants to create the E-IPO Application.
EEA	European Economic Area.
EEOI	Energy Efficiency Operational Indicator.
EEXI	Energy Efficiency Existing Ship Index.
EGM	An extraordinary general meeting of the Shareholders.

Enhanced SEEMP	Ship Energy Efficiency Management Plan.
ESG	Environmental, Social and Governance.
ESTs	Energy Saving Technologies.
EU ETS	The European Union Emissions Trading Scheme.
FDI	Foreign Direct Investment.
Financial Statements	The Annual Financial Statements together with the Interim Financial Statements.
Financial Year/FY	The period of 12 months starting on 1 January and ending on 31 December of a calendar year.
FSA	The Financial Services Authority of Oman, previously the Capital Market Authority, renamed and reconstituted pursuant to Royal Decree 20/2024.
GCC	The Cooperation Council for the Arab States of the Gulf, comprising Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates.
GDP	Gross Domestic Product.
GHG	Greenhouse gas.
GI	Gas Injection.
GIA	Group Internal Audit, the Company's broader internal audit function.
Government	The Government of Oman.
GRC	Governance, Risk and Compliance.
GT	Gross tonnage.
HHI	HD Hyundai Heavy Industries.
HSE	Health, safety and environment.
IAS	International Accounting Standards.
ICV	In-country value, i.e., the total spend retained in-country that benefits business development, contributes to human capability development and stimulates productivity in Oman's economy.
IFRS	International Financial Reporting Standards.
Independent Director	Shall have the meaning attributed to it under the Code.
Information Centre	Information centre of the MSX.
Institutional Settlement Agreement	The institutional settlement agreement between the Company, the Selling Shareholder, the Joint Bookrunners and the Collection Agents dated 18 February 2025 with respect to the Offer Shares.
IMO	International Maritime Organisation.
Interim Financial Statements	The Company's audited interim financial statements as at and for the nine months ended 30 September 2024, together with the comparative financial information for the nine months ended 30 September 2023.

Intermediate Survey	The second or third annual inspection by a classification society surveyor (a more detailed survey).
Investor Number	The investor number issued by the MCDC to investors holding investor accounts with the MCDC.
IPO	The initial public offering of the Offer Shares pursuant to the Offer.
Issue Manager	Sohar International.
Issued Share Capital	The issued share capital of the Company, which amounts to OMR 130,218,607 divided into 5,208,744,280 Shares with a value of Bzs 25 per Share.
Joint Bookrunners	Oman Investment Bank, Sohar International and five international banks.
Joint Global Coordinators	Oman Investment Bank, Sohar International and two international banks.
kms	Kilometres.
km^2	Square kilometres.
KPIs	Key performance indicators.
Kyoto Protocol	The Kyoto Protocol to the United Nations Framework Convention on Climate Change.
Law on Environment	Royal Decree No. 114/2001 issuing the Law on Conservation of the Environment and Prevention of Pollution, as amended.
Listing Date	The date on which Admission will become effective and that dealings in the Shares will commence on the MSX, expected to be up to three Oman business days after the Settlement Date, or such other date as may be notified by the Joint Global Coordinators.
LLC	A limited liability company.
LNG	Liquified natural gas.
LPG	Liquified petroleum gas.
LTI	Lost Time Injury.
LTIF	Lost Time Injury Frequency.
LTIFR	Lost Time Injury Frequency Rate.
m	Metres.
m^2	Square metres.
Management	The senior management team of the Company.
Maritime Law	Royal Decree 19/2023.
Market Consultant/MSI	Maritime Strategies International Ltd.
Market Report	Report, data and information prepared by the Market Consultant for the Company in connection with the Offer.
MARPOL	International Convention for the Prevention of Pollution from Ships.
MCDC	Muscat Clearing and Depository Company SAOC.

ME/ISC	Middle East/Indian Subcontinent.
MEM	Ministry of Energy and Minerals, previously the Ministry of Oil and Gas, renamed and reconstituted pursuant to Royal Decree 96/2020, as amended.
Memorandum	The memorandum of association of the Company, as registered with the MOCIIP.
MENA	Middle East and North Africa.
Ministry of Commerce, Industry and Investment Promotion/MOCIIP	The Ministry of Commerce, Industry and Investment Promotion of Oman, previously the Ministry of Commerce and Industry/MOCI, renamed and reconstituted pursuant to Royal Decree 97/2020, as amended.
Ministry of Finance/MoF	The Ministry of Finance of Oman.
Ministry of Housing and Urban Planning/MOHUP	The Ministry of Housing and Urban Planning of Oman, previously the Ministry of Housing, renamed and reconstituted pursuant to Royal Decree 93/2020, as amended.
Ministry of Labour/MOL	The Ministry of Labour of Oman, previously the Ministry of Manpower, renamed and reconstituted pursuant to Royal Decree 89/2020, as amended.
MLOs	Main Line Operators.
MMM	Magsaysay MOL Marine.
MOL	Mitsui O.S.K. Lines, Ltd.
MPC Law	Royal Decree 34/1974, or the Marine Pollution Control Law.
MSX	The Muscat Stock Exchange Company SAOC, formerly known as the Muscat Securities Market, operated by the Muscat Stock Exchange Company SAOC, renamed and reconstituted pursuant to Royal Decree 5/2021, as amended.
mt	Metric tonnes.
MTFP	Oman's Medium-Term Fiscal Plan.
NCSI	National Centre for Statistics and Information of Oman.
NH_3	Ammonia.
Non-IFRS Measures	EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin, TCE Revenue, Crude Shipping TCE Revenue, Products Shipping TCE Revenue, Dry Bulk Shipping TCE Revenue, Gas Shipping TCE Revenue, Liner Shipping TCE Revenue, TCE Rate, Cash Flow Margin, Net Debt (excluding leases), Net Leverage and Revenue Backlog.
Non-Local Applicants	Regional / international juristic persons (non-individuals) who apply for Offer Shares in the Category I Offer and are not registered in Oman.
NOx	Nitrogen oxides.
Offer	The offer for sale of 1,041,748,856 Shares owned by the Selling Shareholder, with a Price Range of Bzs 117 to Bzs 123; the IPO is

	split into Category I Offer, Anchor Investors and Category II Offer as described in this Prospectus.
Offer Period	The period between the Offer Opening Date and the Offer Closing Date (inclusive of both days) including any extension as permitted by the FSA.
Offer Price	The price from within the Price Range, which shall be determined by the Selling Shareholder in consultation with the Joint Global Coordinators following completion of the bookbuilding for the Category I Offer as described under "*Chapter XIX – Subscription Conditions and Procedures*", which shall be the purchase price for both the Category I Offer and Category II Offer.
Offer Shares	The Shares that are offered for subscription in the Offer.
OCC	Oman Charter Company.
OCIMF	Oil Companies International Marine Forum.
OGM	An ordinary general meeting of the Shareholders.
OIA/Oman Investment Authority	Oman Investment Authority, established pursuant to Royal Decree 61/2020, as amended.
Oman	The Sultanate of Oman.
Omani Rial/OMR	Omani Rials, the lawful currency of Oman with OMR 1 divided into 1,000 Bzs.
OSMC	Oman Ship Management Company.
OWS	Oily water separator.
Price Range	Bzs 117 to Bzs 123 per Offer Share applicable to the Category I Offer.
Pricing Date	The pricing date of the Offer, which is expected to be on or around 4 March 2025.
Pricing Memorandum	The pricing memorandum to the Institutional Settlement Agreement.
Pricing Statement	A statement containing the Offer Price and certain other information.
SAOC	*Société-Anonyme-Omanaise-Closed*, an Omani closed joint stock company.
SAOG	*Société-Anonyme-Omanaise-Générale*, an Omani public stock company.
SAOG Executive Regulations	The regulation for Public Joint Stock Companies issued by FSA Decision No.27/2021.
Securities Law	The Securities Law of Oman promulgated by Royal Decree 46/2022.
Selling Shareholder	Asyad Group SAOC.
Service Level Agreement	The service level agreement entered into between the Company and Asyad Group.

Settlement Date	The date of: (i) delivery of the Shares through the book-entry facilities operated by the MCDC to the account numbers of investors; and (ii) transfer of the net proceeds by the Issue Manager to the escrow account of the MCDC; such date is expected to be up to seven calendar days after the Pricing Date, or such earlier date as may be notified by the Joint Global Coordinators.
Share	An ordinary share of the Company with a value of Bzs 25.
Shareholder	A shareholder of the Company.
SMEs	Small and medium-size enterprises.
SOC	Shipper owned containers.
SOLS 2040	Sultanate of Oman's Logistics Strategy 2040.
SOPEP	Ship Oil Pollution Emergency Plan.
SOx	Sulphur oxides.
Special Survey	The fifth annual inspection by a classification society inspector (the most comprehensive survey).
ST	Steam turbine.
Takeover Code	The code providing rules to govern the takeover of SAOG's issued by FSA Decision 2/2019.
TCE	Time Charter Equivalent.
TEU	Twenty-foot equivalent unit, a general unit of cargo capacity.
TMSA	Tanker Management and Self-Assessment.
TRI	Total Recordable Incident.
TRIF	Total Recordable Incident Frequency.
UK	United Kingdom.
UMA	United Marine Agency.
U.S./USA	United States of America.
U.S.$/USD	U.S. Dollars, the lawful currency of the United States of America.
VLCC	Very Large Crude Carrier.
VLGC	Very Large Gas Carrier.
VLOC	Very Large Ore Carrier.
VLSFO	Very low sulphur fuel oil.

Chapter II
Summary Information Relating to the Company

This summary highlights information contained elsewhere in this Prospectus. It does not contain all the information that prospective investors should consider before investing in the Offer Shares. All prospective investors should read the entire Prospectus carefully, including the Financial Statements set out in "Chapter XXV—Historical Financial Statements" of this Prospectus. All prospective investors should specifically read "Chapter IV—Risk Factors" of this Prospectus for more information about important risk factors that should be considered before applying for Offer Shares.

Overview

The Company is one of the leading players in deep-sea transportation, offering reliable and competitive shipping solutions to its diversified portfolio of blue-chip international and local customers. The Company provides diversified maritime shipping solutions to its customers, operating through five business segments:

- **Crude Shipping**: Through the Crude Shipping segment, the Company operates 12 owned VLCCs, four chartered-in Suezmaxes and two chartered-in Aframaxes transporting crude oil. The Company also has four VLCCs tankers under order. For the year ended 31 December 2023 and the nine months ended 30 September 2024, Crude Shipping revenue was OMR 118.6 million (U.S.$308.1 million) and OMR 74.4 million (U.S.$193.1 million), respectively (representing 32.6 per cent. and 27.1 per cent., respectively, of the Company's revenue). For the year ended 31 December 2023 and the nine months ended 30 September 2024, Crude Shipping TCE Revenue was OMR 93.8 million (U.S.$243.7 million) and OMR 65.9 million (U.S.$171.2 million), respectively.

- **Products Shipping**: Through the Products Shipping segment, the Company operates 13 owned and two co-owned and 19 chartered-in products tankers transporting liquid cargoes, including refined petroleum and chemical products. For the year ended 31 December 2023 and the nine months ended 30 September 2024, Products Shipping revenue was OMR 83.0 million (U.S.$215.5 million) and OMR 74.2 million (U.S.$192.8 million), respectively (representing 22.8 per cent. and 27.0 per cent., respectively, of the Company's revenue). For the year ended 31 December 2023 and the nine months ended 30 September 2024, Products Shipping TCE Revenue was OMR 77.0 million (U.S.$199.9 million) and OMR 73.6 million (U.S.$191.0 million), respectively.

- **Dry Bulk Shipping**: Through the Dry Bulk Shipping segment, the Company operates four owned VLOCs, seven owned Ultramax vessels, one chartered-in Ultramax vessel, three chartered-in Supramax vessels, two chartered-in Handymax vessels and one chartered-in Kamsarmax vessel carrying raw materials, refined products and finished goods under long-term contracts with metallurgical producers. For the year ended 31 December 2023 and the nine months ended 30 September 2024, Dry Bulk Shipping revenue was OMR 64.8 million (U.S.$168.3 million) and OMR 44.9 million (U.S.$116.6 million), respectively (representing 17.8 per cent. and 16.3 per cent., respectively, of the Company's revenue). For the year ended 31 December 2023 and the nine months ended 30 September 2024, Dry Bulk Shipping TCE Revenue was OMR 54.2 million (U.S.$140.7 million) and OMR 41.1 million (U.S.$106.6 million), respectively.

- **Gas Shipping**: Through the Gas Shipping segment, the Company operates five co-owned and one owned LNG carriers, one co-owned VLGC and one chartered-in MGC to transport LNG and LPG to markets around the world. The Company also has two eco-LNG carriers under order. For the year ended 31 December 2023 and the nine months ended 30 September 2024, Gas Shipping revenue was OMR 51.6 million (U.S.$134.0 million) and OMR 37.5 million (U.S.$97.4 million), respectively (representing 14.2 per cent. and 13.6 per cent., respectively, of the Company's revenue). For the year ended 31 December 2023 and the nine months ended 30 September 2024, Gas Shipping TCE Revenue was OMR 51.1 million (U.S.$132.7 million) and OMR 37.5 million (U.S.$97.5 million), respectively.

- **Liner Shipping**: Through the Liner Shipping segment, the Company's wholly-owned subsidiary ASL operates a network of maritime routes served by five container vessels. ASL plays a critical role connecting Omani ports to key global markets in the GCC, China, Southeast Asia and beyond through its regional network, offering container feeder solutions to main line operators ("**MLOs**") and commercial liner services. In addition, ASL offers a wide range of value-added services, from storage and transportation to customs clearance services, all within a flexible, trusted integrated logistics offering that appeals, in particular, to local customers. For the year ended 31 December 2023 and the nine months ended 30 September 2024, Liner Shipping revenue was OMR 44.2 million (U.S.$114.9 million) and OMR 42.7 million (U.S.$110.8 million), respectively (representing 12.2 per cent. and 15.5 per cent., respectively, of the Company's revenue). For the year ended 31 December 2023 and the nine months ended 30 September 2024, Liner Shipping TCE Revenue was OMR 4.5 million (U.S.$11.7 million) and OMR 16.9 million (U.S.$43.8 million), respectively.

For the definitions of all Non-IFRS information and other operational data used, see "*Presentation of Financial, Industry and Market Data—Non-IFRS Information and Certain Other Financial and Operational Data*".

In addition, the Company also provides ship chartering, cargo and voyage management, container and feeder services, and technical ship management services through its subsidiaries, including OCC, OSMC, ASMC, ASL and ASPL, allowing it to offer full-fledged maritime transportation services of the highest industry standards. OCC and ASPL oversee the Company's expanding chartering and broking activities, encompassing not only Company-owned vessels but third-party ships as well. OCC and ASPL also commercially manage several vessels that have been chartered-in to support the Company's customers. The large majority of the Company-owned vessels, including its VLCCs, VLOCs, LNG carriers, products tankers and dry bulk carriers, are managed in-house by OSMC.

Since its inception in 2003, the Company has supported the Omani government's vision to develop a national shipping fleet catering to the maritime transportation requirements of the country's rapidly growing hydrocarbon, petrochemical, mining and metallurgical industries. The Company is backed by the Oman Investment Authority, the investment arm of Oman, which provides access to a vast network of portfolio companies and leading national companies, making it a first-choice partner for key projects and clients in Oman. The Company's shipping operations play a crucial role in the Omani and wider GCC logistics and transportation sector, is the shipping company of choice for the Omani ecosystem and, as a sustainability champion, will help drive the decarbonisation of the Omani maritime industry.

The Company is a subsidiary of the broader Asyad Group, a national vertically integrated logistics provider with a strong network and brand recognition across regional and international markets. As part of the Asyad Group, the Company benefits from shared resources and access to an integrated suite of complementary services, including drydocks, repair and maintenance facilities, shared infrastructures (ports, free-zones, etc.) and human resources (treasury, human resources, procurement, communication services, legal services and IT services).

With one of the largest globally diversified fleets, the Company is able to serve over 60 countries and is well positioned to supply high-growth markets, such as Asia, the Middle East and North Africa. The Company conducts its operations through its fleet of 89 vessels, of which 47 are owned or co-owned, 36 are chartered-in and 6 are currently under order, with a total aggregate capacity of more than 9.5 million DWT as at 30 September 2024. The Company's vessel fleet comprises:

- 22 crude tankers (16 VLCCs (four of which are under order), four Suezmax vessels and two Aframax vessels),
- 34 products tankers (27 MRs, two LR2s, two methanol carriers, two small tankers and one small chemical tanker),
- 18 dry bulk carriers (four VLOCs, eight Ultramax vessels, three Supramax vessels, two Handymax vessels and one Kamsarmax vessel),
- ten gas carriers (eight LNG carriers (two of which are under order), one VLGC and one MGC), and
- five container vessels (two Handymax vessels, one Handysize vessel, one Supramax vessel and one Panamax vessel).

For the year ended 31 December 2023 and the nine months ended 30 September 2024, the Company had revenue of OMR 363.7 million (U.S.$944.7 million) and OMR 274.9 million (U.S.$713.9 million), respectively, TCE Revenue of OMR 282.0 million (U.S.$732.5 million) and OMR 236.1 million (U.S.$613.3 million), respectively, Adjusted EBITDA of OMR 184.0 million (U.S.$478.0 million) and OMR 162.9 million (U.S.$423.0 million), respectively, and profit of OMR 39.5 million (U.S.$102.6 million) and OMR 45.9 million (U.S.$119.2 million), respectively. For the definitions of all Non-IFRS information and other operational data used, see "*Presentation of Financial, Industry and Market Data—Non-IFRS Information and Certain Other Financial and Operational Data*".

Competitive Strengths and Strategies

The Company's competitive strengths include:

- having a world-class shipping platform based in a strategic location with global reach;
- benefitting from a strong market outlook across the Company's core segments underpinned by growing shipping demand and need for aging fleet replacement;
- possessing a robust revenue backlog underpinned by long-term relationships with top-tier customers, providing significant cash flow visibility;
- maintaining a solid, predictable and growing financial profile supported by strong margins;
- supporting a clear growth strategy to develop in priority segments;
- utilising a highly qualified management team backed by an experienced sovereign shareholder; and
- driving and delivering on ESG initiatives to secure competitive advantages and strengthen market positioning.

The Company's strategies include:

- implementing a robust capital expenditure programme, focused on (i) fleet renewal to maintain a younger fleet, (ii) growth investments to capture growth opportunities in the market, and (iii) diversification of its vessel portfolio based on the outlook for the Crude Shipping, Dry Bulk Shipping and Liner Shipping segments;
- developing a business optimisation strategy intends to help the Company maintain its operational excellence while leveraging its existing strengths to take advantage of favourable market outlooks as they arise;

- taking advantage of new loan and refinancing opportunities in order to improve its balance sheet strength and optimise asset utilisation;
- continuing to align its debt with the strategies of its main shareholder, the Asyad Group, in order to maximise tax benefits and utilise synergies in financial planning where they exist;
- implementing best practices which ensure that decision-making processes are efficient and effective, in order to streamline the Company's operations and, as a result, reduce its operating costs; and
- assessing opportunities to establish segment-specific companies to increase operational focus and efficiency.

For further details in relation to the Company's competitive strengths and strategies, see "*Chapter XII—Description of the Company and Business Overview*".

Chapter III
General Information on the Offer and the Company

Name	Asyad Shipping Company SAOG (under transformation).
Commercial registration number	1723154
Date of registration	20 May 2003
Registered office	PO Box 104, Postal Code 118
Principal place of business/headquarters	Madinat AlSultan Qaboos, Bousher, Muscat Governorate
Duration	Unlimited
Financial Year	Commences on 1 January and ends on 31 December each year.
Issued share capital	OMR 130,218,607 divided into 5,208,744,280 Shares with a value of Bzs 25 per Share.
Number of Shares offered for subscription (Offer Shares)	1,041,748,856 Shares, representing 20 per cent of the Company's total Issued Share Capital, subject to the Upsize Option set out below.
Upsize Option	Subject to demand for the Shares, the Selling Shareholder may consider exercising an upsize option pursuant to which the Selling Shareholder may allot or sell up to an additional number of Shares equivalent to 15 per cent. of the Offer Shares.
Type of Shares offered for subscription	All the Shares issued by the Company and the entire equity capital of the Company consist only of ordinary shares. Each single Share carries the right to one vote at any general meeting, including any AGM, OGM or EGM.
Category I Subscription Price Range	Bzs 117 to Bzs 123 per Offer Share.
Category II Subscription Price	Bzs 123 per Offer Share.
Offer Price	The price from within the Price Range, which shall be determined by the Selling Shareholder in consultation with the Joint Global Coordinators following completion of the bookbuilding for the Category I Offer as described under "*Chapter XIX – Subscription Conditions and Procedures*", which shall be the purchase price for both the Category I Offer and the Category II Offer.
Percentage of the total Issued Share Capital on Offer	At least 20 per cent. of the Issued Share Capital of the Company, subject to exercise of the Upsize Option by the Selling Shareholder.
Name of the Selling Shareholder and number of Shares being sold	Asyad Group SAOC: 1,041,748,856 Shares, representing 100 per cent of the Offer Shares, subject to exercise of the Upsize Option by the Selling Shareholder.
Purpose of the IPO	The Company and the Selling Shareholder are undertaking the IPO as part of the divestiture of a minority stake in the Company by the Selling Shareholder in accordance with the Government's divestment programme.

Persons eligible for the Category I Offer Shares	Category I Applicants, as described in "*Chapter XIX – Subscription Conditions and Procedures*" of this Prospectus.
Persons eligible for the Category II Offer Shares	Category II Applicants, as described in "*Chapter XIX – Subscription Conditions and Procedures*" of this Prospectus.
Persons prohibited from subscribing to the Offer	The following Applicants shall not be permitted to subscribe to the Offer: • Sole proprietorship establishments: The owners of sole proprietorship establishments may only submit Applications in their personal names. • Trust accounts: Customers registered under trust accounts may only submit Applications in their personal names (except in specific circumstances detailed in "*Chapter XIX – Subscription Conditions and Procedures*" of this Prospectus). • Selling Shareholder: The selling shareholder of the Company may not subscribe to the Offer Shares in the IPO. • Multiple Applications: An investor may not submit more than one Application. • Joint Applications: Investors may not submit applications in the name of more than one individual (including on behalf of legal heirs). • Related Parties: The related parties of the Company may not participate in the Category I Offer of the IPO, except where such relationship is due to common shareholding or control exercised by the administrative apparatuses of the Government or their primary activity is investment related.
Proposed allocation procedure	The allocation of the Offer Shares will be made as follows and shall be subject to allotment or sale of additional Shares by the Selling Shareholder pursuant to the Upsize Option: <u>Category I Applicants (local/regional/international institutions):</u> • 468,786,985 Offer Shares have been allocated for Category I Applicants, being 45 per cent. of the Offer Shares. • Allocation of Offer Shares to Category I Applicants shall be determined by the Selling Shareholder in consultation with the Joint Global Coordinators. <u>Anchor Investors:</u> • 312,524,657 Offer Shares have been allocated for Anchor Investors, being 30 per cent. of the Offer. The allotment to Anchor Investors has been confirmed by the Selling Shareholder as presented in "*Chapter VIII—Shareholding Details*" and "*Chapter XX—Subscription and Sale*" of this Prospectus. <u>Category II Applicants (individual investors):</u>

	• 260,437,214 Offer Shares have been allocated for Category II, being 25 per cent. of the Offer (allocation to Category II Applicants to be made on a proportionate basis). The Category II Offer is further subdivided, with 50 per cent. of the Category II Offer being allocated to Category II Applicants (large retail) and 50 per cent. of the Category II Offer being allocated to Category II Applicants (small retail). If the aggregate demand in Category II is less than 25 per cent. of the Offer, then after full allocation to the Category II Applicants, the balance of the Offer Shares will be made available to the Category I Applicants at the Offer Price, if there is oversubscription in Category I. If the aggregate demand in Category II (small and large retail) is greater than 25 per cent. of the Offer Shares, the FSA may decide that a minimum number of Category II Offer Shares be distributed equally among Category II Applicants (small retail), and the remainder of Category II Offer Shares shall be allocated on a pro-rata basis.
Minimum limit for subscription by each Applicant	Category I Applicants: 100,000 Offer Shares and in multiples of 100 Offer Shares thereafter. Category II Applicants (large retail): 81,400 Offer Shares and in multiples of 100 Offer Shares thereafter. Category II Applicants (small retail): 1,000 Offer Shares and in multiples of 100 Offer Shares thereafter.
Maximum limit for subscription by each Applicant	• Category I Applicants: No maximum limit. • Category II Applicants (large retail): No maximum limit. • Category II Applicants (small retail): 81,300 Offer Shares. In any case, no Anchor Investor may be allotted more than 20 per cent. of the Offer and Category I Applicant may be allotted more than 10 per cent. of the Offer.
Maximum limit for subscription by each Anchor Investor	208,349,771 Offer Shares (equivalent to 20 per cent. of the Offer Shares).
Category I Offer Opening Date	20 February 2025.
Category I Offer Closing Date	27 February 2025.
Category II Offer Opening Date	20 February 2025.
Category II Offer Closing Date	26 February 2025.
Pricing Date	4 March 2025.
Settlement Date	On or about 10 March 2025, or such earlier date as may be notified by the Joint Global Coordinators.
Listing Date	On or about 12 March 2025, or such earlier date as may be notified by the Joint Global Coordinators.
Date of EGM for approval of the IPO	20 January 2025.

Issue Manager	**Sohar International Bank SAOG** Waterfront, Al Qurum, Muscat Governance P.O Box 44, Hai Al Mina, Postal Code 114, Sultanate of Oman
Joint Global Coordinators	**Oman Investment Bank SAOC** Al Khuwair, Boushar P.O. Box 10, PC 133, Muscat, Sultanate of Oman **Sohar International Bank SAOG** Waterfront, Al Qurum, Muscat Governance P.O Box 44, Hai Al Mina, Postal Code 114, Sultanate of Oman *and three international banks*
Joint Bookrunners	*Two international banks*
Collection Agents	Sohar International Bank SAOG, Bank Muscat SAOG, Ahli Bank SAOG, Bank Dhofar SAOG, National Bank of Oman SAOG, Oman Arab Bank SAOG, Horizons Capital Markets SAOC, Jabal Asset Management LLC, Ubhar Capital SAOC, United Securities LLC, Vision Securities LLC, CFI Financial LLC and Financial Services Company SAOG
Auditor	**KPMG LLC** Children's Public Library Building 4th Floor Shatti Al Qurum, P.O. Box 641, Postal Code 112, Muscat Sultanate of Oman
Legal Adviser to the Company as to Omani Law	**MAQ Legal** Al Maamary, Al Abri & Co. Suite No. 321/322 The 1991 Office Building PO Box 1963, Postal Code 130 Bousher, Muscat, Sultanate of Oman
Legal Adviser to the Company as to U.S. and English law	**Linklaters LLP** One Silk Street London EC2Y 8HQ United Kingdom
International Legal Adviser to the Joint Global Coordinators, the Joint Bookrunners, Issue Manager and Collection Agents as to U.S. and English Law	**Allen Overy Shearman Sterling LLP** One Bishops Square London E1 6AD United Kingdom

5th Floor, Al Mamoura Building B Muroor Road
P.O. Box 7907, Abu Dhabi
United Arab Emirates

Chapter IV
Risk Factors

Investing in and holding the Shares involves financial risk. Prospective investors in the Shares should carefully review all of the information contained in this Prospectus and should pay particular attention to the following risks associated with an investment in the Company and the Shares, which should be considered together with all other information contained in this Prospectus. If one or more of the following risks were to arise, the Company's business, financial condition, cash flows and results of operations or the price of the Shares could be materially and adversely affected, and investors could lose all or part of their investment. The risks set out below may not be exhaustive and do not necessarily include all of the risks associated with an investment in the Company and the Shares. Additional risks and uncertainties not currently known to the Company or which the Company currently deems immaterial may arise or become material in the future and may have a material adverse effect on the Company's business, financial condition, cash flows and results of operations, prospects or the price of the Shares.

Risks Relating to the Company's Industry

1. **Adverse changes in the oil, refined products, chemical products, dry bulk, liner, LPG and LNG industries may materially adversely affect the Company's financial results.**

   The Company offers commercial and ship management as well as shipping services for transport of crude oil, refined products, chemical products, dry bulk, liner, liquified petroleum gas ("**LPG**") and liquified natural gas ("**LNG**") to the end clients of its customers. Consequently, the Company's operating results depend in part on the levels of demand for such products in the geographic areas to which its vessels deliver cargo. As a result, the Company, like other global shipping companies, may be adversely affected by a number of factors relating to the energy industry, related products and derivative materials as well as dry bulk, including political instability, natural disasters, terrorist activity, military action, economic sanctions, changes to regulatory regimes or other conditions that may disrupt the availability or supply of such products or otherwise the business operations of the Company's customers. Furthermore, producers of such products may reduce or shut down production during times of lower product prices or higher production costs to the extent production becomes uneconomic, which would impact demand for, and rates of, the Company's shipping services. Commodity prices and tax incentives may not remain at levels that encourage producers to explore for and develop additional reserves, produce existing marginal reserves or renew transportation contracts as they expire. Increasing growth of electric vehicles and renewable fuels could lead to a decrease in trading and the movement of crude oil and petroleum products worldwide. Any of the foregoing may have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

2. **The shipping business is cyclical and volatile in nature.**

   The shipping market has historically exhibited volatility and cyclicality in supply and demand and, consequently, spot charter rates, as well as freight rates, have fluctuated significantly in recent years. Factors that influence these rates include, but are not limited to the following, many of which are beyond the Company's control:

   - contracting and scrapping activity in the shipping market;
   - marine bunker prices, which are determined by a number of factors, including the price of crude oil, the supply and demand for marine bunker, and the cost of shipping;
   - vessel price volatility based on supply and demand;

- vessel charter rates (both charter-in and charter-out, including bare boat charter hire);
- the number of vessels that are in drydock at a given time;
- global and regional supply of and demand for oil and gas resources, commodities, related products and derivative materials;
- delays in delivery of newbuild vessels;
- currency exchange rates;
- interest rates;
- seasonal fluctuations in global energy consumption;
- legal and regulatory changes and developments in the regions where the Company operates, including regulations adopted by supranational authorities and/or industry bodies, such as safety and environmental regulations and requirements;
- port or canal traffic and congestion;
- disruption to trade routes, particularly as a result of geopolitical events, including wars and terrorism;
- expectations regarding global economic growth and their impact on international seaborne trade; and
- changes in transportation patterns and the supply of and rates for alternative means of transportation.

In addition, excess vessel market capacity depresses spot charter rates, as well as freight rates, and can lead to lower utilisation of vessels, which may adversely affect the Company's revenues, profitability and asset values (including by causing the Company to incur impairment charges). Until such capacity is fully absorbed by the shipping market, spot charter rates, as well as freight rates, may continue to experience downward pressure, which could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

3. The market price of the Company's vessels is affected by a wide variety of factors.

The Company owns or co-owns 53 vessels (as of 30 September 2024), including six vessels which it has ordered for delivery between 2026 and 2027. Factors that influence the market price of its owned or co-owned vessels, as well as newbuild vessels, include, but are not limited to, the following, many of which are beyond the Company's control:

- the number and size of vessels being constructed;
- the scrapping rate of older vessels and vessel casualties;
- the technical specifications and changing designs of vessels;
- the conversion of tankers to other uses, including conversion of vessels from transporting oil and petroleum products to carrying dry bulk cargo and the reverse conversion;
- the availability and cost of financing for new or second-hand vessels;
- the behaviour of competitors in light of prevailing market conditions;
- the price of steel;

- mergers and acquisitions, bankruptcies, restructurings and alliances of shipping companies and shipyards;
- supply chain imbalances;
- changes in licensing regulations, environmental and other regulations, as well as design specifications, that may limit licences, the useful life, carrying capacity or the operations of the Company's fleet;
- port or canal traffic and congestion;
- disruption to trade routes, particularly as a result of geopolitical events, including wars and terrorism;
- expectations regarding global economic growth and their impact on international seaborne trade;
- trade and export controls;
- prevailing charter rates;
- technological advancements in vessel design and overall vessel efficiency, including the ability of vessels to utilise less expensive and more environmentally-friendly fuels; and
- political factors, including the imposition of sanctions.

Global crude and product tankers, LNG, LPG, dry bulk and liner fleet growth rates have varied considerably over the last two decades, reflecting the changing dynamics of the energy markets and the shipping industry. According to the Market Report, the global vessel fleet capacity is projected to increase in the future. The shipping industry may continue to face oversupply in the coming years. As a result of oversupply as well as one or more of the factors above, the value of the Company's vessels could decline, which could adversely affect its ability to comply with the covenants contained in vessel financing agreements (each of which is subject to a different debt-service coverage ratio), as well as the Company having to recognise impairment charges in respect of its owned and co-owned vessels, any of which may adversely affect the Company's business, results of operations, financial condition and prospects.

4. Chartered-in and chartered-out vessels make the Company sensitive to revenue and cost fluctuations in the charter market.

In 2020, the Company introduced an asset light strategy with respect to its vessel fleet, as a result of which it began to charter-in third-party vessels and charter-out those, as well as its owned and co-owned, vessels in response to relevant strategic, commercial and market factors. When the market price of vessels is deemed by the Company to be too high, the Company charters in vessels to meet spot (one to three months), short (four months to one year) and medium (one to three years) term market demand and to maintain its presence as a competitor in particular markets. In particular, when the Company does not have third-party cargo to transport, it may elect to charter-out available vessel capacity in its fleet to third parties. In 2021, 2022 and 2023, 18 per cent., 49 per cent. and 41 per cent., respectively, of the Company's vessel fleet was comprised of chartered-in vessels. As a result, the Company is exposed to fluctuations in the charter market which affect its revenue and cost.

Some of the Company's dry bulk and product shipping services operate on the spot charter market, with prices determined predominantly at market rates (typically at the prevailing market charter rate) at the time of shipment, while the transportation of LNG, LPG, crude oil, methanol and chemicals, as well as certain other dry bulk products, such as iron ore, operates predominantly on a long-term time charter basis.

Spot charter rates are volatile and cyclical as a result of prevailing demand and supply dynamics in the market. Consequently, spot charter rates fluctuate, sometimes significantly. These rates have become more volatile since 2020, due to a variety of geopolitical challenges, including the Covid-19 pandemic, the conflict between Ukraine and Russia, the Red Sea conflict, current trade tension between the United States and China, and political instability in the South China Sea region. In addition, the spot charter rates for very large crude carriers ("**VLCCs**") increased in 2023, due to an increase in demand resulting from changes in trade patterns, followed by continued volatility in the first nine months of 2024. While volatility may lead to increases in spot charter rates, because spot charter rates are fixed, there can be delays in realising the benefits of increases in the spot charter rate market because vessels that have been chartered are no longer available to be chartered-out at higher rates. Conversely, the Company is also subject to the risk that it charters in vessels at higher market rates and, following a decline in spot charter rates thereafter, suffers losses from having to charter the vessel out at lower market rates.

Vessels that do not operate on a spot charter market basis provide more predictable cash flows but can yield lower profit margins than vessels operating in the spot charter market during periods characterised by favourable market conditions. While vessels operating in the spot charter market generate revenues that are less predictable and more volatile, they may allow the Company to capture increased profit margins during periods of improvements in charter rates. Involvement in the spot charter market increases the relative volatility of the Company's cash flows from operations and exposes it to the risk of declining charter rates.

There can be no assurance that spot charter rates will not continue to be volatile in the future or that the Company will be successful in keeping its vessels fully employed in the spot charter markets, which may result in a reduction of revenue received from spot chartering. Any significant volatility in spot charter rates may adversely affect the Company's business, results of operations, financial condition and prospects.

5. Environmental accidents expose the Company to significant potential environmental costs and liabilities.

The operation of any ocean-going vessel carries with it an inherent risk of maritime disasters or other events that may cause severe environmental damage to the areas in which such vessels operate. See "—*Shipping companies are exposed to the risk of losses from maritime disasters, piracy, mechanical failures and other similar events that may disrupt their operations*." In particular, many of the cargoes carried by the Company's vessels, including crude oil, LNG, LPG and petrochemicals, as well as its vessels' own marine bunker, are extremely hazardous to the environment and may spread in the water or by air to distant areas and coastlines. The spill or airborne release of any such cargo may be very difficult to control and/or costly to clean up. Any such environmental accidents could also give rise to government or regulatory claims and sanctions, including clean-up and remediation claims, claims from third parties or entities whose businesses are negatively affected by any such accident, as well as reputational damage to the Company. As a result, environmental mishaps may expose the Company to potential costs that far exceed the value of the cargoes carried and the ships on which they are transported, and could, in the worst case, result in the Company's insolvency. There can be no assurance that an environmental accident will not occur or that the Company's insurance will provide sufficient coverage for any resulting costs and liabilities. The occurrence of such an event therefore could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

6. **Shipping companies are exposed to the risk of losses from maritime disasters, piracy, mechanical failures and other similar events that may disrupt their operations.**

Shipping companies can suffer significant losses if a vessel is lost, subject to an accident or its operations are otherwise disrupted. The operation of vessels has inherent risks, including but not limited to: maritime disasters; mechanical malfunction, failure or loss of the vessels or their equipment; human error; inclement weather; war, piracy and terrorist attacks that could damage the Company's vessels, impose security-related costs and liabilities, prohibit the use of certain ports, close trade routes or decrease world trade generally; and business interruptions due to social or political instability, including hostilities, labour strikes, port and canal closings and boycotts. The occurrence of one or more of these risks could lead to a number of adverse effects on the Company, including deaths or injuries, pollution or loss of property; delays in the delivery of shipments; loss of revenues from, or termination of, time charter contracts and decreases in the Company's backlog (see "*Chapter XII—Description of the Company and Business Overview—Revenue Backlog*" for further information); claims from third parties; governmental fines, penalties or restrictions on conducting the Company's business; higher insurance rates; and damage to the Company's reputation and customer relationships generally.

Acts of piracy have historically affected ocean-going vessels trading in regions of the world in which the Company operates, such as the Red Sea, the South China Sea, West Africa and the Gulf of Aden off the coast of Somalia. A pirate attack on a Company vessel could lead to, among other things, bodily injury, loss of life or vessel or other property damage. Such an attack could also increase the Company's onboard security costs to the extent the Company chooses to take additional security measures onboard its vessels, such as hiring onboard security guards or installing or renovating 'safe rooms' onboard the Company's vessels. The areas in which pirate attacks occur more regularly are considered by the Company's insurers to be 'areas of perceived enhanced risk,' and are included in the Joint War Committee Hull War, Piracy, Terrorism and Related Perils Listed Areas. These designations require a vessel operator to pay higher premiums in order to maintain its insurance coverage while operating in these areas, and the crew of ships may refuse to enter such areas and demand repatriation, which could increase the Company's insurance, crew or other costs. In addition, the Company maintains war risks insurance coverage in respect of vessels operating in high-risk areas of the world, which also increases the Company's insurance costs.

Management considers the Company's safety and performance record to be critical to its business reputation. Many of the Company's customers, including in particular those operating in the oil and gas industries, prefer modern vessels operated by ship management companies with a reputation for safety and environmental compliance. Any incident involving the Company's vessels that results in the compromised safety or security of the Company's vessels, crew and/or cargo, or that results in environmental damage or pollution, could harm the Company's reputation and decrease demand for the Company's services or its ability to attract and retain employees. The occurrence of any one or more of these events could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

7. **The Company operates in a highly fragmented and competitive industry.**

The shipping industry is highly fragmented with many global, regional and local shippers, owners and operators of vessels. The industry is characterised by intense competition, low barriers to entry and multiple shipping companies competing for the same business. Competition among shipping companies is based on, among other things, scheduling, price, vessel availability, size, age and condition of the vessel, relationships with customers and others and the quality, experience and reputation of the ship operator. With the current degree of fragmentation and overlap among carriers in the market, any of the

Company's many competitors may choose to establish themselves on the same routes as the Company's established routes and attempt to undercut the Company's charter rates on those voyages.

The Company's primary competitors are independent ocean-going carriers worldwide. Shipping companies also face competition from non-seaborne methods for transporting certain goods, including oil and oil products, such as companies that own and operate pipelines. These competitors may be able to devote greater resources to the development, promotion and employment of their businesses than the Company. Competition may increase in some or all of the Company's principal markets and may have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

8. Competition from more technically advanced vessels could reduce the Company's charter hire income and the value of the Company's vessels.

The charter hire rates of a vessel, along with its value and operational life, are determined by factors such as efficiency, operational flexibility and physical life. Efficiency is determined by vessel speed, fuel economy and speed of loading and unloading. Flexibility is related to the ability to enter harbours, compatibility with docking facilities and ease of passage through canals and straits. Physical life includes the original design and construction, together with ongoing maintenance and the impact of the stress of operations. If new vessels are developed that are more efficient or flexible, or have longer physical lives than the Company's vessels, competition from these more technologically advanced vessels could adversely affect the charter rates the Company receives for its vessels following the termination of their current charters and could also have a negative impact on resale value. As a result of competitive pressure, if the Company fails to reduce the average age of its fleet and to continue to enhance its ship management efficiency through OSMC, its business, results of operations, financial condition and prospects could be materially adversely affected.

9. The Company operates in an industry that is subject to extensive regulation that may require it to incur substantial costs to meet existing and future regulatory requirements or limit its ability to operate its business.

The shipping industry is highly regulated, and the Company's operations are affected by extensive and evolving environmental protection laws and other regulations in the form of numerous international, national, regional and local laws, regulations, treaties and conventions that are in force where the Company's vessels operate. See "*Chapter X—Regulatory Framework*." Such laws and regulations impose significant requirements on the Company, many of which are designed to promote health and safety, as well as to reduce the risk of oil spills and other pollution. These requirements include, among others, obligations relating to the air emissions, maintenance and inspection of the Company's vessels; development and implementation of emergency procedures; and acquisition of adequate insurance coverage. Moreover, the Company believes that the heightened environmental, quality and security concerns of national and international regulators, insurance underwriters and the Company's customers will lead to additional regulatory requirements in the future, including enhanced security and inspection requirements on vessels. The Company expects to incur substantial expenses in continuing to comply with such current and future laws and regulations, including expenses for ship modifications and changes in operating procedures.

Seaborne vessels are required to operate within the instruments adopted by the International Maritime Organisation ("**IMO**"), as well as within the environmental protection laws, health and safety regulations and other marine protection laws in each of the jurisdictions in which the Company's vessels operate, including the flag state of the vessel. See "*Chapter X—Regulatory Framework—International Law.*" Since the International Safety Management Code became effective in 1998, shipping companies and individual vessels have been required to establish safety systems and have them certified by standardisation bodies. In addition, this code requires the Company, through OSMC, to maintain the requisite documents of compliance with respect to the provision of technical ship management services to the Company's and third-party vessels. In complying with current and future IMO instruments, the Company may be required to incur additional costs in meeting new maintenance and inspection requirements, including ship modifications and changes in operating procedures (including with regard to decarbonisation); in developing contingency arrangements for potential contamination by vessels; and in obtaining, maintaining or renewing insurance coverage. Because such laws and regulations are often revised, the Company is unable to predict the timing or extent of the long-term costs of compliance.

Furthermore, the Company is required to comply with extensive environmental instruments from the IMO and other bodies. Future changes are expected, in particular regarding greenhouse gas ("**GHG**") emissions under the Kyoto Protocol to the United Nations Framework Convention on Climate Change (the "**Kyoto Protocol**"), the Paris Agreement (the "**Paris Agreement**") and the European Union Emissions Trading Scheme (the "**EU ETS**"). See "*Chapter X—Regulatory Framework—International Law*" and "*Chapter XII—Description of the Company and Business Overview—Environmental, Social and Governance ("ESG").*"

The requirements of these laws and regulations increase the administrative and compliance burden on the Company, and can affect the resale value or useful lives of the Company's vessels, require ship modifications, a reduction in cargo capacity, or operational changes or restrictions, lead to increased cost or decreased availability of insurance coverage for environmental matters, limit access to certain jurisdictional waters or result in the denial of access to, or detention in, certain ports. The Company is also exposed to potential reputational damage due to non-compliance with applicable laws and regulations, and could face substantial liability for penalties, fines, damages, cleanup obligations and remediation costs associated with hazardous substance spills or other discharges into the environment involving the Company's vessels, as well as misconduct or incidents of non-compliance by the Company's crewmembers under environmental laws and regulations. See "*—Shipping companies are exposed to the risk of losses from maritime disasters, piracy, mechanical failures and other similar events that may disrupt their operations*." The Company could also become subject to personal injury and property damage claims relating to the release of, or exposure to, hazardous materials associated with the Company's operations. Moreover, failure to comply with applicable laws and regulations may result in criminal sanctions or the suspension or termination of the Company's operations, including, in certain instances, seizure or detention of the Company's vessels. The occurrence of any one or more of these events could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

10. Compliance with safety and other vessel requirements imposed by classification societies may be very costly.

The hull and machinery of every commercial vessel must be classed by a classification society authorised by its country of registry. All of the Company's vessels are certified as being 'in-class' by DNV GL Group ("**DNV GL**"), Lloyd's Register or the American Bureau of Shipping. Each classification society typically issues over 20 different certificates for each vessel. The certificates that are essential for trading include the international loadline, safety construction, international oil pollution prevention, safety equipment and safety radio certificates. See "*Chapter XII— Description of the Company and Business Overview—Safety Management and Ship Operations.*"

In order for the Company's vessels to be registered with a flag state and obtain insurance cover, as well as to fulfil certain technical lending covenants, they are required to have valid class certificates. Such certificates are issued by independent third-party classification societies. This certification process generally involves two major types of inspections, usually undertaken while a vessel is in drydock: (i) an intermediate inspection, conducted every two to three years and (ii) a detailed inspection of all of the major components of the vessels, undertaken every five years. Furthermore, certain customers may require the Company's vessels to be inspected and approved by a third-party independent technical surveyor prior to the commencement of a new time charter contract. In addition, vessels are subjected to other minor inspections, including annual checks. If the Company faces delays in this process, or is unable to obtain necessary certifications, it may be unable to service its customers under its existing or new time charter contracts, which could have a material adverse effect on its business, results of operations, financial condition and prospects.

A vessel must undergo scheduled surveys, annual surveys, intermediate surveys, drydocking surveys and special surveys, as well as port state inspections, and is sometimes subject to other surveys and inspections that are required pursuant to the regulations and requirements of the vessel's country of registry. If any vessel does not maintain her class or fails any annual survey, intermediate survey, drydocking survey, special survey or other surveys performed by the flag state and/or classification society of the vessel, that vessel may be unable to trade between ports and will be unemployable, and the Company may be required to incur substantial costs to meet these survey requirements. The failure to maintain a vessel's class or the failure of a vessel survey could also cause the Company to be in violation of the Company's insurance policies, and may allow the insurer to decline coverage. Such inability to trade between ports or violations of the Company's insurance policies could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

11. Increased inspection procedures and tighter import and export controls could increase costs and disrupt the Company's business.

International shipping is subject to various security and customs inspections and related procedures in countries of origin and destination. Inspection procedures can result in the seizure of contents of the Company's vessels; delays in the loading, offloading or delivery of the products carried by the Company's vessels; and the levying of fines and other penalties against the Company. It is possible that changes to inspection procedures could impose material additional financial and legal obligations on the Company. Furthermore, changes to inspection procedures could also impose additional costs and obligations on the Company's customers and may, in certain cases, render the shipment of certain types of cargo impractical or unprofitable. The occurrence of such events in the future may have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

12. The Company may be adversely affected by economic, political and other conditions in the countries in which it operates or may operate in the future.

Global and regional economic, political and social conditions can adversely affect the regions in which the Company allows its vessels to operate. Challenging conditions that may arise in the regions in which the Company operates include:

- economic contraction or volatility;
- currency collapse, devaluation or appreciation and the introduction or tightening of currency controls or other restrictions on the movement of funds;
- difficulties and delays in obtaining or renewing permits, licences and consents;
- additional taxes or royalties, including retroactive claims and restrictions on deductions;
- the nationalisation or expropriation of privately owned assets, political interference in tenders;

- the cancellation, modification or enforceability of contractual rights;
- theft and fraud;
- changes in trade laws, sanctions or embargos;
- the introduction or tightening of foreign ownership restrictions;
- changes in local legal or regulatory requirements, or their interpretation, including environmental rules, contracting or bidding requirements, local content requirements, or various areas of labour regulations (such as the availability of work permits for foreign workers), and contract or natural resource law;
- social and political instability, including civil disturbances;
- opposition from local communities and special-interest groups;
- disruptions in operations due to strikes or other labour unrest;
- outbreaks of war, rebellion, terrorism or other acts of violence (such as the conflict between Russia and Ukraine and the Red Sea conflict), which, among other things, can disrupt trade routes and therefore demand for vessels and associated charter rates;
- natural disasters or outbreaks of disease; and
- restrictions on access to cargo, including in particular crude oil.

In addition, a number of countries in which the Company operates, or may operate in the future, are perceived to have relatively high corruption levels, including countries in the Gulf Cooperation Council ("**GCC**") and Southeast Asia. The Company may not be able to prevent or detect corrupt or unethical practices by third parties, such as sub-contractors, joint venture partners or suppliers, which may result in the Company having to change counterparties, incurring substantial fines and penalties, or suffering reputational damage. The economic, political and other conditions in the countries in which the Company operates, or may operate in the future, could result in disruptions that have material adverse effect on its business, results of operations, financial condition and prospects.

13. Maritime claimants could arrest the Company's vessels, which could interrupt the Company's cash flow.

Crewmembers, suppliers of goods and services to a vessel, shippers of cargo and other parties may be entitled to a maritime lien against that vessel (and, in some jurisdictions, any vessel owned or controlled by the same owner) for unsatisfied debts, claims or damages, even when protection and indemnity insurance is available to cover any such debts, claims or damages. In many jurisdictions, a maritime lien holder may enforce its lien by arresting a vessel through foreclosure proceedings. The arrest or attachment of one or more of the Company's vessels could interrupt the Company's cash flow and require the Company to pay large sums to have the arrest or attachment lifted. Any such arrest or attachment of one or more of the Company's vessels could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

14. The Company is exposed to risks inherent in operating internationally and in politically unstable regions, including the risk of breaching international sanctions and anti-bribery/anti-corruption laws.

The Company transports products across a wide variety of national jurisdictions, and is accordingly exposed to the risk of business interruptions due to political circumstances in foreign countries, hostilities, labour strikes and boycotts, changes in tax rates or policies and the potential for government expropriation of the Company's vessels. Several of the countries in which the Company operates have inadequate legal systems and law enforcement mechanisms, which may expose the Company to a number of uncertainties and which, in particular, may result in the arrest or detention of the Company's vessels, cargo claims, and claims by the customs, tax, port and other authorities in the countries in which the Company operates.

In addition, in some countries in which the Company operates, certain business practices may exist that are prohibited by laws and regulations applicable to the Company, including anti-corruption laws. The Company has put in place what it considers to be strict anti-bribery and anti-corruption policies and procedures requiring compliance with these laws and measures designed to facilitate such compliance. However, the Company's employees and third-party contractors may take actions in violation of applicable laws or the Company's policies. Any such violation, even if prohibited by the Company's policies, could have a material adverse effect on the Company's business and reputation.

Furthermore, sanctions imposed on certain countries, companies or individuals by individual countries such as the United States, or by international and regional bodies, such as the United Nations and European Union, could in the future materially adversely affect the Company's ability to trade with those sanctioned countries and companies or individuals affected by such sanctions. Any of the above factors could have a material adverse effect on the Company's reputation, business, results of operations, financial condition and prospects.

15. The Company may be involved in litigation that could be determined unfavourably to it.

From time to time, the Company has been party to ordinary course litigation and may, in the future, be involved in various litigation matters. Damages claimed under litigation to which the Company is a party may be material or indeterminate, and the outcome of such litigation could materially and adversely affect the Company's business, financial condition, results of operations and prospects. Litigation could result in substantial costs (including civil and/or criminal penalties, damages or the imposition of import trade measures), require significant financial and other resources to resolve and may divert management attention to defend against such litigation.

In addition, the Company is subject to the risk of litigation or regulatory action in respect of its activities, including for breaches of applicable tax, environmental, health and safety and other laws and regulations. Any regulatory actions against the Company could lead to fines, the loss or restriction of operating licences, or other penalties, and have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Risks Relating to the Company's Business

16. The Company is dependent on a small number of key customers that account for a significant portion of its revenue.

The Company derives a significant portion of its revenues from a relatively small group of national and international companies. The Company's largest customer accounted for 10 per cent. of its revenues for the year ended 31 December 2023, and the Company's three largest customers accounted for 23.0 per cent. of its revenues over the same period. If one or more of these key customers were to breach or terminate their time charter contracts or renegotiate or renew them on terms less favourable than those currently in effect, or if any of these customers decrease the amount of business they transact with the Company, it could have a material adverse effect on the Company's business, results of operations, financial condition and prospects, including the Company's time charter revenue backlog.

In addition, there can be no assurance that these customers will renew existing time charter contracts or enter into future time charter contracts with the Company, or that future time charter contracts will be on equally favourable terms. If demand for the Company's services or products by any of its key customers declines, if a key time charter contract is terminated or if a key customer or time charter contract is less profitable than the Company expects, there can be no assurance that the Company would be able to find new customers for the affected vessels on a timely basis, or at all, particularly those which have been built to suit a particular customer's requirements, as is the case for the Company's four VLOCs (400,000 DWT per VLOC) that are chartered to Vale for 20-year terms, nor can there be any assurance that the Company would be able to replace such time charter contracts with new customers on equally or more favourable terms.

Although the Company would ordinarily expect to be able to re-charter most of its vessels, if it were unable to do so on a timely basis or at all or if it has to incur material costs to retrofit its affected vessels, or if the Company were unable to charter its bespoke vessels after the completion of applicable time charter contract terms, and/or if it had to write down their value or sell them at a loss, the Company's business, results of operations, financial condition and prospects could be materially adversely affected.

17. Rising marine bunker prices may adversely affect the Company's profitability.

The Company is sensitive to changes in the price of marine bunker. In the year ended 31 December 2023, marine bunker accounted for 52.7 per cent. of the Company's voyage operating costs. The price and supply of marine bunker fluctuates based on events outside the Company's control, including economic and geopolitical developments, supply and demand for oil and gas, actions by the OPEC and other oil and gas producers, war and unrest in oil-producing countries and regions, regional production patterns and environmental concerns and regulations (including those which require vessels to use higher-cost, alternative fuels). Any significant or sustained increase in the price of marine bunker, including as result of a decrease in supply, which the Company is unable to recover through its contractual arrangements with its customers, could increase the Company's voyage operating costs and/or decrease demand for shipping services more generally, either of which could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

18. The required drydocking and other unexpected downtime exposure of the Company's vessels could be more expensive and time consuming than the Company anticipates.

The Company periodically drydocks its vessels for a variety of reasons, including inspections, repairs and maintenance, modifications required to comply with marine industry certifications and governmental requirements, and unplanned crew changes. The drydocking of the Company's vessels results in the loss of revenue while the affected vessels are off-hire and requires capital expenditure that may be greater than the Company anticipates. Any unexpected increase in the number of days during which affected vessels are off-hire due to drydocking or in the anticipated costs of associated repairs could have an adverse effect on the Company's relationship with its contractual customer, as well as the financial returns associated with that time charter contract, which in turn could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

19. Delays in delivery of newbuild vessels could harm the Company's operating results.

As part of the Company's growth strategy, it has commissioned the delivery of six new vessels (two LNG carriers and four VLCCs) through 2028. The delivery of these new vessels could be delayed, which would delay the Company's receipt of revenues under applicable time charter contracts or other contracts related to the vessels, and could adversely affect the Company's expansion strategy as well as its ability to decommission older vessels as currently scheduled. In particular, in the event of prolonged delays, the customer may terminate the charter and the Company may be liable for resulting loss of revenues. Furthermore, the two LNG carriers are integral to the Company's ability to fulfil its future contractual commitments with Oman LNG. Oman LNG may terminate these contractual commitments for a variety of reasons, including if the Company's new LNG carriers are unable to meet its operational demands and for force majeure.

In addition, in the case of charters that are related to newbuild vessels that were ordered by the Company to be chartered to a customer for a bespoke purpose, if the delivery of the newbuild to the Company's customer is delayed, the Company may be required to pay liquidated damages during the delay (which may not be fully offset by any liquidated damages the Company may be entitled to receive from the shipbuilder) if it is unable to provide an acceptable alternative vessel (for instance, by chartering in) during the delay.

The completion and delivery of newbuilds by a shipyard could be delayed for a variety of reasons, including:

- quality or engineering problems;
- changes in governmental regulations or maritime self-regulatory organisation standards;
- work stoppages or other labour disturbances;
- bankruptcy or other financial crises of the shipbuilder;
- a backlog of orders;
- political or economic disturbances;
- weather interference or a catastrophic event, such as a major earthquake or fire;
- requests for changes to the original vessel specifications by the Company;
- shortages of, or delays in, the receipt of necessary construction materials, such as steel;
- the inability of the Company to finance the construction or conversion of the vessels; or
- the inability to obtain requisite permits or approvals.

If delivery of a vessel is materially delayed, it could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

20. The Company is reliant on the successful negotiation of new bank facilities to finance the purchase of new vessels for its fleet.

The Company's activities are capital intensive, particularly as regards the expansion of its vessel fleet in furtherance of its growth strategy. Therefore, ready access to funds is essential to the Company's business including, in particular, from third parties to finance the purchase of its six new vessels, the cost of which is estimated to be approximately U.S.$1 billion in aggregate. The Company is currently negotiating the terms of bank facilities to finance approximately U.S.$800 million of this amount, and expects such facilities to be finalised and executed in 2025. The Company is currently making initial payments in respect of the vessels it has ordered out of its existing cash flows, and will continue to do so until its new bank facilities are in place, at which time it will supplement its payment obligations with periodic drawdowns thereunder. However, there can be no assurance that the terms of such facilities will be agreed when anticipated, nor that the terms of the facilities will be those which are currently anticipated. Any change to the timing or anticipated terms of the facilities could adversely affect the ability of the

Company to continue to finance the purchase of its vessels on the schedule anticipated, as well as the cost of doing so. In addition, the loan to value ratio associated with the purchase of these vessels is based upon the current market value of the vessels, and there can be no assurance that the market value of the vessels will not decline by the time drawdowns under the facilities takes place. If that is the case, the lenders could require the Company to finance a greater proportion of the purchase price of the vessels through cash flows rather than borrowings under the facilities, which could adversely affect the financial position of the Company and its ability to otherwise finance other aspects of its business.

21. The Company's indebtedness may affect the Company's ability to obtain financing and refinance existing debt, and may result in increased interest payments and reduced flexibility in pursuing other business opportunities.

The Company's ability to make scheduled payments of interest and principal under its indebtedness will depend on, among other things, its future financial and operating performance and its ability to refinance its debt, which will be affected by prevailing economic conditions as well as financial, business, regulatory and other factors, many of which are beyond its control. These factors could negatively impact the Company's ability to obtain financing, or significantly increase the costs of such financing. In addition, there can be no assurance that the Company will be able to repay or refinance its loans upon maturity or that any such refinancings will be on favourable terms for the Company.

The Company's indebtedness could restrict its operations by, among other things:

- limiting the Company's ability to pay dividends;
- limiting the Company's ability to incur or guarantee indebtedness or otherwise obtain additional financing for working capital, capital expenditures, acquisitions of vessels or other strategic acquisitions and general corporate purposes;
- requiring the Company to dedicate all or a substantial portion of the Company's cash flow to service the Company's debt, which would reduce funds available for other business purposes, such as capital expenditures, investments or acquisitions;
- limiting the Company's flexibility in planning for or reacting to changes in the markets in which the Company competes, such as engaging in strategic acquisitions or disposing of assets;
- placing the Company at a competitive disadvantage relative to its competitors with less indebtedness;
- rendering the Company more vulnerable to general adverse economic and industry conditions; and
- making it more difficult for the Company to satisfy its financial obligations or to refinance maturing indebtedness.

Further, if the Company's operating income is not sufficient to service its current or future indebtedness, the Company will be forced to take actions such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing its debt or seeking additional equity capital. The Company may not be able to effect any of these remedies on satisfactory and/or commercially acceptable terms, or at all. For a discussion of the Company's existing indebtedness, see "*Operating and Financial Review—Liquidity and Capital Resources—Borrowings*."

22. The Company may not be able to implement its business and growth strategy successfully.

The Company's future business and growth strategy takes a two-prong approach, focusing on both business optimisation initiatives and expansion of the Company's fleet through its U.S.$2.3 billion to U.S.$2.6 billion capital expenditure program for the period from 2025 to 2029 (which includes U.S.$914.0 million of committed capital expenditure). The future growth of the Company is dependent on its ability to implement this strategy successfully, which is in turn dependent on a variety of factors, some of which may be beyond the Company's control or may be costly, delayed or ineffective. The Company's strategy is primarily focused on maintaining the Company's position as a leading provider of seaborne energy transportation worldwide. The success of this strategy and the ability of the Company to meet its medium-term targets will depend on a number of factors, including the Company's ability to:

- maintain or develop new and existing customer relationships;
- continue to renew its fleet by commissioning new vessels over the medium-term;
- maintain the diversity of its fleet to mitigate the impact of adverse economic performance in a specific market segment in which the Company operates;
- successfully integrate and employ new vessels and/or vessel acquisitions;
- obtain financing to support its growth strategy, including the acquisition of vessels;
- identify and act on new market opportunities;
- proactively anticipate and react in a timely manner to market volatility in respect of time charter rates and spot charter rates;
- continue to optimise the ship management function of the Company's fleet; and
- continue to recruit and retain high calibre employees to support its business and, in particular, man its vessels.

As part of the Company's fleet expansion and renewal program, the Company may not be able to procure new vessels, or may be unable to procure them on attractive terms. In addition, the success of the Company's expansion of its vessel fleet through its order of two new LNG carriers and four new VLCCs will depend in part on the continued demand for crude oil and LNG.

The Company's failure to execute its strategy, on a timely basis or at all, or to manage its growth effectively could materially adversely affect the Company's business, financial condition and results of operations. In addition, there can be no assurance that, even if the Company successfully implements its strategy, the Company's results of operations will improve. The Company may also decide to alter or discontinue aspects of its business strategy and may adopt alternative or additional strategies in response to the Company's operating environment, competitive situation or factors or events beyond the Company's control.

In addition, the Company's ability to obtain external financing in order to support its strategy and the costs of such financing depend on numerous factors, including general economic and market conditions, international interest rates, credit availability from banks or other lenders and investor confidence in the Company and the success of its business. Global credit markets have been and continue to be affected by periods of uncertainty, volatility and disruption, including most recently as a result of the conflict in Ukraine, U.S. and European bank failures, inflation and the conflict in the Palestinian territories, Lebanon and neighbouring regions. These challenging market conditions have resulted in higher interest rates, reduced liquidity, greater volatility, a widening of credit spreads and a lack of price transparency in credit markets. If the Company is required to raise additional external financing in the near- to medium-term, a worsening of general global economic conditions or any further changes in investment markets, including, but not limited to, changes in expectations for international, regional or local growth rates, geopolitical tensions, commodity prices, international interest rates, exchange rates and returns from equity, property and other investments, could affect its ability to secure financing on terms similar to those received in the past or at all.

If appropriate sources of financing are not available or are only available on onerous terms and the Company lacks sufficient operating cash flow to otherwise finance its growth strategy, this could adversely affect the Company's business through increased borrowing costs. In addition, the Company may be forced to, among other things, delay or reduce capital and investment expenditures, forgo business opportunities, or restructure or refinance all or a portion of its debt on or before maturity. Any of the foregoing could have a material adverse effect on the Company's business, financial condition and results of operations.

23. The Company's future performance depends on its ability to secure new time charter contracts and to do so in a timely fashion.

The Company generally secures new time charter contracts through direct negotiations with potential customers. If the Company is unable to successfully negotiate new time charter contracts that start immediately after the end of its current time charter contracts, or if new time charter contracts contain day rates substantially below existing day rates, or are awarded on terms that are otherwise less favourable than those of existing and expiring time charter contract terms, or which leave the Company with significant mobilisation or demobilisation costs that cannot be fully recovered, this could have a material adverse effect on its business, results of operations, financial condition and prospects.

24. Fluctuations in the market value of the Company's vessels may materially and adversely affect the Company's results of operations and the Company's ability to obtain additional financing.

The market value of vessels fluctuates depending on a number of factors, including general economic and market conditions affecting the industry, demand for vessel capacity, the number, type, age and size of vessels in the world fleet, the price of new vessels (which is affected by availability of shipyard berths and financing), the level of vessel scrapping, the impact of any port congestion on fleet productivity, the cost of other modes of transportation and swings in the historically cyclical shipping industry. Declining vessel values could make it more difficult for the Company to raise cash by mortgaging vessels and could have a material adverse effect on the Company's liquidity. Declining vessel values could also require the Company to increase the proportion of its cash flow, in addition to external borrowings, used to fund the purchase of new vessels, and/or lead to a breach of loan covenants by the Company's subsidiaries that are borrowers or guarantors under the borrowing facilities for the refinancing of the relevant vessels, which could give rise to events of default under these facilities. The fair market value of the Company's owned and co-owned vessels (excluding vessels currently under order) represented 148.5 per cent. of their carrying value as at 31 December 2023. If the market value of the Company's vessels declines, the Company may also be required to recognise impairment losses, which could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

25. The aging of the Company's owned fleet may result in increased operating costs in the future.

In general, the cost of maintaining a vessel in good operating condition increases with the age of the vessel. The Company's fleet of 89 owned, co-owned and chartered-in vessels (including vessels in the orderbook) had an average age of eight years as at 30 September 2024, and it will incur increased costs as the age of its fleet continues to increase. Newer vessels benefit from gradual improvements in engine technology and other features, meaning that older vessels tend to be less fuel efficient and more costly to maintain. Higher cargo insurance rates for older vessels make such vessels less desirable to customers, and may result in the Company contracting lower rates for such vessels. Furthermore, IMO instruments, IOC standards, governmental regulations and safety or other equipment standards related to the age of vessels (including decarbonisation initiatives) may also require expenditures for alterations or the addition of new equipment to the Company's vessels and may restrict the type of activities in which certain of the Company's vessels may engage. In addition, the effective service life of the Company's vessels is determined by the vessel type and market demand for such vessels once they reach a minimum age. In the case of the Company's fleet, the effective service life of its vessels ranges from approximately 15 to 25 years. As part of the Company's growth strategy, it intends to replace its older vessels with newbuilds and through the purchase of newer, second hand vessels. The price the Company receives for vessels it sells, as well as the price it pays for second hand vessels, will depend on when in the market cycle for second hand sales the transaction takes place. As a result, there can be no assurance that the Company will be able to sell its older vessels at or near the peak of such market cycles or, conversely, that it will be able to time the purchase of second hand vessels at or near the low point of such market cycles. In addition, there can be no assurance that its strategy to renew its aging vessel fleet will be completed on the timetable anticipated, or that the anticipated costs of maintaining its vessel fleet will not be materially higher than currently expected.

Furthermore, while the Company typically inspects second-hand vessels before purchase, this does not provide the same knowledge about their condition that the Company would have had if these vessels had been built for and operated exclusively by it. Accordingly, the Company may not discover defects or other problems with such vessels before purchase. Any such hidden defects or problems, when detected, may be expensive to repair, and if not detected, may result in incidents for which the Company may become liable to third parties. In addition, when purchasing second-hand vessels, the Company does not receive the benefit of any builder warranties if the vessels bought are older than one year.

As a result of the foregoing risks, the cost of operating the Company's vessel fleet may adversely affect its ability to operate its vessels profitably, which could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

26. The Company is subject to risks relating to the non-renewal of its time charter contracts.

The Company seeks to ensure that the mix of its fleet is diversified between vessels that are available for short-term time charters on the spot charter market and vessels that are available for longer fixed-term time charters. The majority of time charter contracts under which the Company's vessels operate are for longer, fixed-term time charters and, in certain cases, are subject to extension at the option of the Company's customers. The likelihood of these time charter contracts being extended may be negatively affected by reductions in general economic and prevailing freight market conditions, and any potential redeployment may not be renewed on a long-term basis or at all. If the Company is unable to promptly redeploy any affected vessels at favourable or profitable rates, or at all, it may have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

The Company's ability to re-charter its vessels following the expiration of existing time charter contracts, as well as the rates payable upon any such renewal or replacement charters, will depend on, among other things, the state of the market at the time of such renewal or replacement charter. The shipping industry is highly competitive and has experienced significant fluctuations in charter rates based on, among other things, the demand for vessels and cargo, as well as the supply of vessels and cargo. For example, a substantial or extended decline in demand for oil and oil products could materially adversely affect the Company's ability to re-charter its VLCCs and product tankers (MR2s) at acceptable rates or to acquire and profitably operate new VLCCs or MR2s. See "—*The shipping industry and the Company's business are subject to strong cyclical supply and demand variations which can lead to volatility in the Company's revenue and profitability.*"

Five of the Company's six LNG time charter contracts will expire in 2025 or 2026, three of which are related to the expiry of an Oman LNG and Qalhat LNG project. If the Company were to attempt to replace or renew these long-term charters when the tanker market is depressed, it could require the Company to redeploy its vessels at less favourable time charter rates or subject the Company's vessels to the spot charter market until charter rates recover, which could have a material adverse effect on the Company's business, results of operations, financial condition and prospects. Prolonged periods of low charter hire rates or low vessel utilisation could also have a material adverse effect on the value of the Company's assets.

27. The Company's operating costs may increase.

The Company's operating costs have a significant impact on its gross profit, and are affected by the number and age of its vessels in operation and the local operating costs in each region or country in which its vessels are located. Increases in the Company's operating costs are particularly affected by increases in crew wages, the cost of components and consumables, the aging of the Company's fleet and the cost and frequency of maintenance services (including, in each case, as a result of inflation). Even when a vessel is idle, the Company's ability to reduce many of the key drivers of its operating costs are limited, as a core crew must be maintained on its vessels when idle so that they can be mobilised quickly when contracted and the Company must continue to undertake maintenance activities to ensure that idle vessels remain seaworthy.

Most of the Company's time charter contracts apply fixed daily rates over the life of the contract, although some feature an annual rate acceleration clause. The Company therefore typically bears the risk of absorbing any increases in the costs of operating a vessel over the length of a time charter contract. As the majority of the Company's time charter contracts have terms greater than one year, it can be difficult to accurately estimate the future costs associated with these long-term contracts. The actual costs to the Company over the life of a time charter contract, particularly costs relating to staffing crew on board, and technical and operational maintenance, may consequently be higher than those estimated by the Company when negotiating its time charter contracts. If actual costs exceed those anticipated at the time the Company enters into its time charter contracts, they may be less profitable than expected or cause the Company to incur losses, which may have a material adverse effect on its business, results of operations, financial condition and prospects.

28. The Company relies on third-party shipyards to build new vessels.

The Company relies on third-party shipyards, particularly HD Hyundai Heavy Industries ("**HHI**") and Hanwa Ocean Co. in Korea, to construct new vessels. Therefore, the Company faces risks inherent in any large construction or maintenance projects, including delay or defaults by shipyards caused by, among other things, unforeseen quality or engineering problems, work stoppages, weather interference, unanticipated cost increases, delays in receipt of necessary equipment, the inability to obtain the requisite permits or approvals, and other factors that are beyond the Company's control. There can be no assurance that the Company's currently contracted new vessels or vessels ordered in the future will be completed on schedule or at all. Moreover, the Company is required to deploy substantial sums in the form of down payments and progress payments during the construction of new vessels, but it does not derive any revenue from the vessels until after their delivery. A failure by its shipyards to construct or deliver its new vessels on a timely basis could delay the redeployment of any prepaid amounts toward other uses and reduce the Company's future net income and cash flows.

If its shipyards fail to deliver the Company's new vessels according to the agreed terms, the Company's ability to meet its contractual obligations to customers may be adversely affected, and it may be required to charter-in another vessel to satisfy those obligations. There can be no assurance that the Company would be able to recover the resulting costs from the responsible shipyard in all circumstances as, in accordance with industry practice, if a shipyard is unable or unwilling to deliver a vessel on time or at all, the Company may not have substantial remedies.

While the Company maintains insurance that may provide compensation in certain circumstances and would otherwise expect to enforce contractual indemnities and other relevant provisions contained in the construction contracts with its shipyards, there can be no assurance that its efforts to recover any resulting monetary losses would be successful.

The occurrence of any of the foregoing risks could have a material adverse effect on the Company's business, results of operations, financial condition and prospects, including the Company's time charter revenue backlog.

29. The Company may be adversely affected by risks associated with its joint venture arrangements, as well as its strategic and local partnerships.

The Company has established, and likely will establish, joint venture arrangements and strategic partnerships to operate and expand its business, in particular with respect to the ownership of five LNG carriers, two LR2 tankers and one VLGC. The success of the Company's joint ventures and strategic partnerships is subject to a number of risks, including a deterioration of the partners' relationship, a failure by the partner to provide anticipated expertise or services, exposure to liability or expenses related to a partner's conduct, and divergent economic and commercial interests between the Company and its partners. Additionally, certain of the Company's joint venture agreements are subject to restrictions on voting and transfer, including "change of control" provisions. In the event of a change of control of the Company, these clauses could be triggered and could result in the termination or rescission of these agreements.

The Company also relies on local partners in certain jurisdictions to assist in gaining access to crew, strengthen and maintain relationships with customers, and liaise with local authorities responsible for licensing and permitting regimes. However, the Company's arrangements with local partners may not be effective, may result in losses for the Company or may be terminated, and there is no guarantee that the Company can obtain alternative arrangements on similar terms, or at all, with new local partners.

If the Company's local partnerships and joint ventures are not successful, or are terminated, this could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

30. The Company may be unable to dispose of its vessels in the future on attractive terms.

The Company regularly reviews its vessel fleet to assess its requirements in the light of its current and future business plans, with a view to optimising its vessel fleet and deployed capital. The Company currently operates, and plans to continue to operate, a fleet of vessels with an average age that is less than that prevalent in the industry. As part of the Company's effort to maintain an optimal fleet of vessels, it disposes of certain vessels from time to time when they no longer fit its strategic objectives.

The Company's ability to dispose of its non-strategic vessels could be affected by various factors, including the availability of purchasers willing to purchase these vessels at acceptable prices, as well as the demand and supply of such vessels in the market, which could result in the Company realising a loss relative to the book value of the vessels at the time of their disposal. In addition, any delay or failure to dispose of its non-strategic vessels could impair the quality of its fleet, and delay its construction or acquisition of new vessels if the Company is unable to otherwise finance the associated costs, which could have a material adverse effect on the Company's business, results of operations, financial condition and prospects**.**

31. Sulphur regulations to reduce air pollution from ships have required retrofitting of vessels and may cause the Company to incur significant costs.

Since 1 January 2020, IMO instruments have required vessels to comply with a global limit on the sulphur levels in fuel oil used on board vessels of 0.5 per cent., down from the previous cap of 3.5 per cent. The interpretation of "fuel oil used on board" includes use in main engine, auxiliary engines and boilers. Compliance with this regulation is achieved by (i) using 0.5 per cent. sulphur fuels on board, which are available at a higher cost; (ii) installing "scrubbers" for cleaning of the exhaust gas; or (iii) retrofitting vessels to be powered by LNG and other alternative green fuel. As at the date of this Prospectus, those regulations apply to all of the vessels in the Company's fleet. In addition, all of the Company's fleet, including its LNG carriers and MGC, use very low sulphur fuel oil ("**VLSFO")** such as diesel and marine gas for propulsion which does not contain sulphur. The Company's existing VLCCs have fitted scrubbers while the new built VLCC vessels are designed to be dual fuelled (fuel/LNG). However, there can be no assurance that the Company will be able to pass increased costs associated with using VLSFO, installing "scrubbers" in the future to the extent required or retrofitting vessels to be powered by LNG on to customers, or that the regulations may not change further, which may have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

32. Climate change concerns and impacts could cause the Company to incur significant costs or make significant investments.

As the international community has reached consensus on the importance and urgency of addressing climate change, various industries, including the shipping industry in which the Company operates and the energy industry where the Company's customers operate, are drawing increasing scrutiny with respect to their contribution to global climate change in recent years. A number of international, national and regional measures to reduce GHG emissions have been enacted. For example, the Paris Agreement became effective in November 2016, and many of the countries that have ratified the Paris Agreement, including Oman which did so by the Royal Decree No. 28/2019 that became effective in April 2019, are adopting domestic measures to meet the Paris Agreement goals, which include reducing their use of fossil fuels and increasing their use of alternative energy sources. The Green Deal of December 2019 proposes new EU legislation, which includes a "carbon border tax" or "border carbon adjustment" implementation. In addition, the European Commission recently proposed a 2030 target to reduce GHG emissions by 55 per cent. compared to 1990 and a new Carbon Border Adjustment Mechanism, which will put a carbon price on imports of a targeted selection of products to prevent "carbon leakage" and to encourage industries outside the EU to take steps in the same direction. More recently, the Glasgow Climate Pact, which aims to accelerate action towards the goals of the Paris Agreement, was signed at COP26 in October-November 2021. The implementation of such measures in a number of countries and other potential legislation limiting emissions could negatively affect the global demand for oil and gas, and result in a shift away from fossil fuels towards alternative fuels. The energy transition away from carbon-based fuels could increase if the feasibility of alternative fuels continues to improve as new technologies emerge, further disrupting the gas sector.

Carbon dioxide ("**CO2")** is a by-product of the burning of fossil fuels and is considered a GHG. The Company's operations, and the use of several of its customers' products, result in the emission of CO2, which the Company tracks in accordance with applicable IMO instruments. In 2023, the Company's Scope 1 and 2 GHG emissions were approximately 1.6 and 0.6 million tonnes, respectively. Increasing pressure on governments to reduce GHG emissions has led to a variety of actions that aim to reduce the use of fossil fuels, including, among others, the EU ETS, carbon taxes, increased energy efficiency standards and incentives and mandates for renewable energy and other alternative energy sources. International conventions and agreements that aim to limit or reduce GHG emissions are currently in various stages of implementation, and it is difficult to predict with certainty the ultimate impact GHG-related laws, regulations and international agreements will have on the Company.

Furthermore, many countries, including Oman, are also actively trying to develop alternative sources of energy or alternative methods of increasing domestic oil production to reduce their dependence on imported oil, as well as combating climate change. At the 2023 United Nations Climate Change Conference, nearly 200 countries, including Oman, agreed to a new climate deal which aims to reduce carbon pollution and transition away from fossil fuels in energy systems with the target of achieving net zero by 2050. In general, it is too early to know or measure the impact these pledges and investments will have on hydrocarbon production in Oman or on demand for fossil fuels from Oman in the medium- or long-term, but the impact could be substantial.

Oman's compliance with the Paris Agreement and these other initiatives, as well as the goals set out in Oman's Vision 2040 strategy, will require the reduction of carbon dioxide emissions in Oman, and the responsibilities of Omani companies may change following the implementation of any carbon dioxide mitigation regulations. In furtherance of these global initiatives, in March 2022, Oman established the National Committee for Climate Change and Protection of the Ozone Layer, which convenes representatives from 32 stakeholders to address climate change-related issues in Oman. The work of this committee is intended to complement Oman's National Strategy for Adaptation and Mitigation of Climate Change for the 2020-2040 period. Oman has also supported different renewable energy initiatives within the country, such as labelling appliances based on energy efficiency, mandates on use of LED bulbs and others. Oman has also pledged to reduce total GHG emissions by 7 per cent. by 2030. In March 2023, a representative of Oman's Environment Authority confirmed that Oman has adopted a national plan for zero carbon neutrality, pursuant to which five main sectors have been targeted as part of the strategy to reduce GHG emissions, including oil and gas, electricity production, transportation, industry and construction. It is unclear to what extent regulations and emission-reducing measures targeting the oil and gas and transportation sectors will impact the Company, but any such measures could result in, for example, increased costs to operate and maintain the Company's operations, increased capital expenditure to install new emission controls and increased costs to administer and manage any potential GHG emissions or cap and trade or other control programmes, all of which could require additional cash contributions. The Company also intends to apply heightened screening for compliance with changing climate change regulations, which may materially impact production if future projects do not meet new screening criteria.

In addition, there is increasing concern that a gradual increase in global average temperatures will cause significant changes in weather patterns around the globe, and an increase in the frequency and severity of natural disasters or other effects that are impossible to predict. Increased frequency or duration of extreme weather conditions could result in a disruption of shipping routes around the globe and have a negative effect on the ability to provide the Company's services at the various facilities. To the extent that such unfavourable weather conditions are exacerbated by global climate change or otherwise, the Company's shipping operations in particular may be adversely affected to a greater degree than it has previously experienced, including increased delays and higher costs. However, the uncertain nature of changes in and causes of extreme weather events (including in respect of their increased frequency, duration, and severity) and the long period of time over which any changes would take place limit the

Company's ability to make any specific estimations of future financial risk to its operations caused by these potential physical risks of climate change. Moreover, the regulation of GHG emissions and the physical impacts of climate change in the areas in which the Company, its customers and the end users of its customers' products operate could adversely impact the Company's operations. Any or all of these hazards, as well as possible legal liability to the Company or governmental or regulatory action against the Company arising therefrom, could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

33. The Company has relied and will continue to rely on the Asyad Group to use the Asyad Group brand and to provide the Company with certain corporate services.

As a wholly-owned subsidiary of the Asyad Group, the Company has historically relied on the Asyad Group for the provision of support services, infrastructure and certain personnel, as well as the use of the Asyad Group brand. The Company believes that the success of its operations is dependent in part on the continuing provision of these corporate services and the favourable reputation, market value and name recognition associated with the Asyad Group brand.

The Company is a party to a master services agreement with the Asyad Group dated 24 May 2022 (as amended on 1 January 2024) (the "**Existing Master Agreement**") and the Company expects to enter into a new services agreement (the "**New Service Level Agreement**") prior to Admission. The Service Level Agreement will set out the terms, conditions and pricing for the Asyad Group to continue to provide centralised corporate services similar to the services already provided under the Existing Master Agreement, which are expected to include, among other things, centralised treasury activities, human resources, business support, procurement and contracting, communication services, health, safety and environmental, legal services (non-shipping and maritime law), marketing, IT services, governance advisory and enterprise risk management services. If the Asyad Group were to fail to provide the Company with these services, it would be required, in some instances, either to contract with another provider of these services or to develop the capability to perform these services internally, either of which could take a considerable amount of time and increase the Company's costs associated with the provision of these services.

Pursuant to the Existing Master Agreement, and as the Company's operations are conducted under the Asyad Group brand name, the Asyad Group has also granted the Company a limited, revocable, non-transferable, non-sublicensable, non-exclusive licence to use certain of Asyad Group's trademarks, logo and materials in Africa, Asia, Australia, Europe, North America, South America and any other countries or territories as may be agreed from time to time, in connection with all operations and any other activities that the Company is currently engaged in. The licence is royalty-free for the first five years, and the Existing Master Agreement will remain in force until the Company and Asyad Group enter into the New Service Level Agreement, after which the license for the use of Asyad Group trademarks and logo will become governed by the terms thereof, and the licence fee will be included within the overall fee payable by the Company under the New Service Level Agreement.

As the Asyad Group brand is associated with the operations of the Asyad Group companies, any erosion of the value of the Asyad Group brand for any reason, including due to the activities and operations of these other Asyad Group-affiliated companies over which the Company has no visibility or control, could have a material adverse effect on the Company's reputation, as well as its business, results of operations, financial condition and prospects.

34. The assumptions made in preparing the financial and operational targets included in this Prospectus may prove incorrect, incomplete or inaccurate, and the Company's results may differ materially from its financial and operational targets.

The Company's financial and operational targets included in this Prospectus reflect numerous assumptions made by the Company. These assumptions relate to commercial expectations and other external factors, including political, legal, fiscal, market or economic conditions or in applicable legislation, regulations or rules (including, but not limited to, tax laws and accounting policies), all of which are difficult to predict and are beyond the Company's control. Accordingly, there is a risk that the assumptions made in preparing its financial and operational targets could prove incorrect or incomplete, and there may be differences between the Company's actual and targeted results, which could be material in nature and impact the price of the Shares. In addition, unanticipated events may adversely affect the actual results that the Company achieves in future periods, whether or not its assumptions relating to financial and operational targets otherwise prove to be correct. The inclusion of the financial and operational targets in this Prospectus should not be regarded as an indication that the Company considered or consider such financial or operational targets to be achievable or reliable predictions of future events. Accordingly, investors are strongly urged not to place undue reliance on any of the financial and operational targets set forth in this Prospectus. For further discussion on financial and operational targets as forward-looking statements, see "*Forward-Looking Statements*".

35. The Company is subject to risks relating to the integrity, reliability and efficiency of its internal control over financial reporting.

The Company's business relies on internal controls and procedures that regulate customer and management information, finance, credit exposure and other aspects of its business. In connection with the Offering, the Company is undergoing control validation and internal control database confirmation and, in 2024, the Company established a dedicated internal control function, which had previously been part of the Asyad Group's governance function.

There can be no assurance that the Company's internal controls and procedures will be adequate for the Company's requirements generally or its requirements as a publicly listed company. If there are material weaknesses in the Company's internal controls over financial reporting, the Company's financial statements may contain material misstatements, it could be required to restate its financial results and investors could lose confidence in the Company's reported financial information. In addition, if the Company is unable to produce accurate and timely financial statements, the market price of its shares may be adversely affected.

36. Negative publicity could adversely affect the Company's business and impact its operating results.

The Company is exposed to the risk of negative publicity and press speculation regarding the industry in which it operates. Issues such as environmental pollution, water usage and GHG emissions caused by the shipping industry are subject to heightened regulatory and public scrutiny, including in Oman, where the Government has committed to, *inter alia*, reducing GHG emissions in connection with its Vision 2040 strategy. Ongoing and future regulatory changes focusing on environmental protection, such as stricter emissions standards or waste disposal regulations in Oman, would also impose additional operational costs on the Company and further increase scrutiny from authorities. In addition, the mismanagement or occurrence of environmental incidents at the Company's facilities and vessels could lead to accidents or environmental damage, exacerbating public and governmental concerns. The Company could also face adverse publicity for other reasons, including the injury or death of employees or accidents at its facilities, including owned and chartered-in vessels.

Concerns about safety and environmental protection involving the industry or the Company specifically (including as a result of incidents involving the Company or another company in the industry) could influence public perceptions regarding the Company's services and operations, the viability of certain services and products, the Company's reputation and its ability to attract and retain employees. Any significant damage to the Company's reputation could cause existing clients to terminate their relationship with the Company or prevent it from winning new contracts.

The occurrence of any of the foregoing events could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

37. The Company is exposed to interest rate risk.

As at 30 September 2024, the Company's carrying value of total variable-rate borrowings amounted to OMR 218 million (U.S.$566 million) (48 per cent. of the Company's total borrowings), of which OMR 56 million (U.S.$145 million) were hedged by interest rate swaps. As a result, the Company is sensitive to changes in interest rates. For instance, movements in the Secured Overnight Financing Rate ("**SOFR**") (or its replacement) or the yield curve (market interest rates at different maturities) impact the market value of the Company's bank loans and the interest that the Company pays on such loans. Interest rates are sensitive to numerous factors outside the Company's control including, but not limited to, government and central bank monetary policy in the jurisdictions in which the Company operates and movements in the credit ratings of the countries in which the Company operates, including Oman.

The Company uses interest rate derivative instruments, such as swap contracts, to manage interest rate exposure. The Company had an unamortised notional amount of interest rate derivatives of OMR 99.0 million (U.S.$257.1 million) as at 31 December 2023, compared to OMR 196.0 million (U.S.$509.1 million) as at 31 December 2022. If interest rates had been 35 basis points higher (or lower) and all other variables kept constant, the Company's total interest expense in the year ended 31 December 2023 would have increased (or decreased) by approximately OMR 1.3 million (U.S.$3.4 million). The Company cannot give any assurance that it will continue any existing hedging strategies or that current or future hedging will sufficiently protect the Company from the adverse effects of interest rate movement. In addition, the Company potentially foregoes benefits that might result from fluctuations in interest rates by engaging in derivative contracts. While the Company manages counterparty risk by only conducting swaps with the respective lending banks, it is exposed to credit risk in the event of the failure of counterparties to meet their obligations under these arrangements. In the event of such a default, the Company may incur additional costs in connection with replacement transactions at current market prices, and the impact of such a default may have an adverse effect on the Company's results of operations.

Any factors affecting the Company's hedging strategies or exposure to interest rate risk could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

38. The Company's insurance may not be sufficient to cover losses incurred by the Company.

The operation of oil product tankers, LNG carriers and MGC and other vessels is inherently risky. See "*—Risks Relating to the Company's Industry—Shipping companies are exposed to the risk of losses from maritime disasters, piracy, mechanical failures and other similar events that may disrupt their operations.*" Although the Company carries hull and machinery, war risks, protection and indemnity and other insurance, all risks may not be adequately insured against, and any particular claim may not be paid. In addition, due to the nature of its short- and medium-term charter-out operations, the Company generally elects not to carry insurance covering the loss of earnings resulting from vessel off-hire time based on its cost compared to the Company's off-hire experience. Any significant off-hire time of the Company's vessels could harm the Company's business, financial condition, prospects and operating results, including the Company's time charter revenue backlog. See "*Description of the Company and Business Overview—Revenue Backlog*" for further information. Any claims relating to the Company's operations covered by insurance would be subject to deductibles, and, since it is possible that a large number of claims may be brought, the aggregate amount of these deductibles could be material. Certain of the Company's insurance coverage is maintained through mutual protection and indemnity associations, and, as a member of such associations, the Company may be required to make additional payments over and above budgeted premiums if member claims exceed association reserves.

The Company's insurance policies do not cover risks arising from the damage caused by wear and tear and the damage caused by wilful misconduct of ship's crewmembers and office managers. In addition, the Company's insurance policies generally do not cover loss of earnings due to delay or detention caused by political unrest, crew desertion and illegal conduct, all of which it considers trading risks.

In recent years, insurance companies have increased premiums for certain types of insurance in the shipping industry. The Company's insurance contains certain standard deductibles, limitations and exclusions, including limitations and exclusions with respect to certain losses arising from cyberattacks, acts of war, terrorism, malicious acts, nuclear forces and wilful misconduct or fraud. In addition, if claims are asserted against the Company, the Company's vessels could be subject to attachment or other judicial processes, as the Company's insurers may not always provide a letter of guarantee in case of arrest, attachment or detention of a vessel.

In addition, more stringent environmental regulations have led in the past to increased costs for, and in the future may result in the reduced availability of, insurance against risks of environmental damage or pollution. In addition, the Company's insurance may be voidable by the insurers as a result of certain of the Company's actions, such as the Company's ships failing to maintain certification with applicable maritime self-regulatory organisations. Changes in the insurance markets attributable to terrorist attacks may also make certain types of insurance more expensive or impractical for the Company to obtain or maintain. In addition, the insurance that may be available in the future may be significantly more expensive than the Company's existing coverage. Any uninsured or underinsured loss could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

39. Growth of the Company's fleet and operations may strain the Company's existing systems and management resources.

The Company's growth has placed and will continue to place significant demands on the Company's management, operational and financial resources. As the Company expands its operations, it must effectively manage and monitor technical and commercial operations, control costs and maintain quality and control in geographically dispersed markets. The Company's strategy for growth and financial performance will also depend on its ability to identify new markets and achieve acceptance by new customers; effectively compete in new markets; identify and engage in suitable joint venture arrangements and acquisitions; recruit, train, manage and motivate employees to support expanded operations; continue to improve customer support, financial controls and information systems; and take advantage of the economies of scale which may result from the operation of a large global fleet of vessels.

These efforts may not be successful and may not occur in a timely or efficient manner. Customers may hire the Company for new markets and trade routes for which it is unprepared, or which involve a higher level of risk anticipated. Failure to effectively manage the Company's growth and the system and procedural transitions required to expand in a cost-effective manner could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

40. The Company could fail to recruit and retain management and skilled personnel, which may also be impacted by "Omanisation" initiatives.

The Company relies on its senior management to implement its strategy and direct its day-to-day operations. There is considerable competition in Oman for management personnel, especially at the senior management level, due to a disproportionately low number of available qualified and experienced individuals in the shipping industry, and the Company's senior management team is not subject to non-compete or non-solicitation restrictions. The loss of any member of the Company's senior management team or its other key employees could adversely affect the Company's ability to execute its operations or identify and execute potential strategic initiatives, which could have a material adverse effect on the Company's cash flows, business, results of operations, financial condition and prospects.

In addition, the Company depends on the continuing efforts of skilled personnel to operate and provide technical services and support for its business. In particular, the Company relies on third-party agencies to provide the majority of the seafaring crews for its vessels. Competition to attract and retain such qualified personnel is intense. If the Company and its crewing agencies are unable to hire and retain qualified personnel and crewmembers, as the case may be, or if crew costs increase and the Company is unable to increase its charter rates to customers to compensate for such increases, the Company's business, results of operations, financial condition and prospects may be materially adversely affected.

In general, Oman relies in part on expatriate labour in many industries, ranging from unskilled labourers to highly skilled professionals. However, the Government aims to increase domestic employment as part of its "Omanisation" initiative, the goals of which are to employ Omani citizens in a meaningful and efficient manner in the public and private sectors and to reduce the country's reliance on foreign workers. Under the initiative, companies are required to employ Omanis in certain management, administrative, technical and other positions, which may be more expensive to fill than they would have been the case had expatriates been hired, and must maintain an overall Omanisation rate of 80 per cent. In addition, certain roles within the Company, such as administrative and human resources, must maintain a 100 per cent. Omanisation rate. While the Company has maintained an Omanisation rate of over 86 per cent. for each of the years ended 31 December 2021, 2022 and 2023, it may nevertheless find it difficult to recruit people in Oman with the relevant qualifications. If it is unable to do so and cannot hire suitably qualified expatriates, its cash flows, business, results of operations, financial condition and prospects could be materially adversely affected.

41. Labour disruptions could adversely affect the Company's operations.

The Company and its vessels are certified by the Maritime Labour Convention. Most of the Company's seafarers belong to unions, and the Company has collective bargaining agreements with affiliates of the International Transport Workers' Federation (the "**ITF**") in the countries where the Company's seafarers are employed, that govern the employment of all seafarers serving on the Company's vessels. The terms of these agreements generally govern the wages paid to the Company's crew, minimum living conditions onboard the Company's vessels, as well as other benefits and conditions of the seafarers' employment. These agreements are subject to customary renegotiation, and the Company may also become subject to additional collective bargaining agreements in the future. While the Company believes that its relationships with the ITF and other trade unions are good, if its relations with its seafarers, the ITF or other trade unions deteriorate, or if the Company's employees or unions decide to strike or stop work for any other reason, the Company may be unable to operate its vessels, which could result in loss of revenues, increased costs and decreased cash flows. Further, the Company's collective bargaining agreements govern the wages paid by the Company to its seafaring employees, and there can be no assurance that future renegotiations will lead to wage levels acceptable to the Company. Any labour disruptions or significant increase in wages could harm the Company's operations and could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

42. The Company relies on IT systems and other operating systems to conduct its business, and disruption, failure or security breaches of these systems could adversely affect its business and results of operations.

In common with most shipping businesses, the Company employs IT systems to communicate with its vessels and conduct its business. Such systems are vulnerable to disruption by, among other things, viruses and cyberattacks, which could result in decreased performance, remediation costs, transaction errors, loss of data, including confidential or proprietary data, processing inefficiencies, downtime, litigation, business interruption, reputational damage and the loss of suppliers or customers. In order to mitigate against the above, the Company maintains accepted security measures and technology, and relies on market-standard virus control systems. However, such measures may not be sufficient to prevent damage or disruption to the Company's systems caused by circumstances beyond its control, such as catastrophic events, power outages, natural disasters, computer system or network failures, computer viruses, cyberattacks or other malicious software programs, and the Company may be required to spend additional capital and other resources to further protect itself and its IT systems. In addition, delays integrating new systems and migrating data may result in the loss of data and/or business interruptions. A significant or prolonged disruption or failure in the Company's IT systems could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

43. Changes in relevant tax laws could adversely affect the Company.

The Company is subject to various tax laws that can affect its business. For example, a maritime tax exemption currently applies to the Group's Singapore entity and is renewed every ten years, and it could lose the benefit of the exemption it fails to meet the applicable requirements. In addition, the Omani Income Tax Law promulgated by Royal Decree 28/2009 was amended in 2017 by Royal Decree 9/2017 and Royal Decree 118/2020 to expand the scope of withholding tax to dividends, interest payments and services fees, and the Government may adjust the tax laws from time to time in the future. The Company's status as a special purpose vehicle and resulting tax residency may also result in changes to the Group's tax rates or internal policies. Changes in tax laws may increase the tax burden for the Company, thereby adversely affecting its business, results of operations, financial condition and prospects.

Risks Relating to Oman

44. Oman may be affected by political developments in the MENA region or elsewhere.

Oman enjoys domestic political stability and generally healthy international relations. However, Oman is, and will continue to be, affected by political developments in or affecting the wider MENA region, and investors' reactions to developments in any country in the MENA region may affect securities of issuers in other markets, including Oman. Furthermore, other world events, including the ongoing conflicts in Ukraine and the Palestinian territories, could have an impact on Oman's political and security situation. Oman pursues an independent foreign policy and, although it aims to maintain its cordial relationship with the international community, a shift in the relationship between Oman and other countries in the GCC or globally or changing political priorities in the region could have a material adverse effect on Oman's economic, political or financial condition, which, in turn, could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

45. Any adjustment to, or ending of, Oman's currency peg could negatively affect Oman, which could have a material adverse effect on the Company's business.

Since 1973, the Omani Rial has been pegged to the U.S. Dollar at a rate which has remained unchanged at U.S.$2.60 = OMR 1 since 1986. The maintenance of this currency peg is a firm policy of the Central Bank of Oman (the "**CBO**"). However, there is no assurance that the CBO will be able to continue to maintain the currency peg in the future. If the CBO cannot maintain the currency peg to the U.S. Dollar or, failing that, a stable exchange rate versus the U.S. Dollar, it could reduce confidence in Oman's economy, reduce foreign direct investment and adversely affect Oman's finances and economy and ability to service its debt.

In addition, because of the currency peg to the U.S. Dollar, the CBO does not have any flexibility to devalue the Omani Rial to stimulate Oman's exports market, and the CBO's ability to independently manage interest rates and thus, influence the condition of the Omani economy through monetary policy actions is constrained. If the U.S. Federal Reserve Board was to increase interest rates, and the CBO were to significantly delay increasing its own rates, this could result in significant pressure on the currency peg. For example, the CBO has not followed each of the U.S. Federal Reserve Board's interest rate rises with matching interest rate rises in Oman. However, the CBO increased interest rates several times in 2022 and in 2023, stabilising benchmark inter-bank interest rate at 6.00 per cent. in July 2024. This lack of flexibility could have an adverse effect on Oman's foreign trade and domestic demand and, in turn, on its economy. In addition, recent IMF publications have linked increases in U.S. Federal Reserve Board's policy rates to reductions in non-oil activity in GCC countries, an effect which may be magnified in low oil price environments. All of the Company's revenue is denominated in U.S. Dollars, while a portion of its operating expenses is denominated in Omani Rial, with the balance denominated in U.S. Dollars and other foreign currencies. Further, the Company's indebtedness is denominated in U.S. Dollars and Omani Rial. As a result, the removal or adjustment of the U.S.$/OMR exchange peg could have an impact on the Company's financial results due to the impact thereon of currency translation effects (as the Company's reporting currency is the Omani Rial), and could also affect the impact that the Company's U.S. Dollar-denominated borrowing has on its financial results. Any of these consequences could adversely affect the Company's business, results of operations, financial condition and prospects.

Risks Relating to the Offer and to the Shares

46. The Offer may not result in an active or liquid market for the Shares, and trading prices of the Shares may be volatile and may decline. In addition, the MSX is significantly smaller in size than other established securities markets, which may also affect liquidity in the Shares.

Prior to the Offer, there has been no public trading market for the Shares. There can be no assurance that an active trading market for the Shares will develop or, if a market does develop after the IPO, that it will be sustained or that the market price of the Shares will not decline thereafter below the Offer Price. The trading price of the Shares may be subject to wide fluctuations in response to many factors, as well as stock market fluctuations and general economic conditions or changes in political sentiment that may adversely affect the market price of the Shares, regardless of the Company's actual performance or conditions in Oman.

The Company will apply for the Shares to be listed on the MSX. The MSX was established in 1988, but its future success and liquidity in the market for the Shares cannot be guaranteed. The MSX is considerably smaller and consequently less liquid than more established securities markets, including, for example, those elsewhere in the GCC, United States or the United Kingdom. As at 31 December 2024 there were 113 companies with securities traded on the MSX with a total market capitalisation of approximately OMR 27.6 billion (U.S.$71.8 billion). The MSX had a daily average regular trading turnover of approximately OMR 5.1 million (U.S.$13.3 million) in the nine months ended 30 September 2024.

In addition, in relation to the Offer, the FSA has granted an exemption from the minimum 25 per cent. free-float requirement (the "**Free Float Requirement**") whereby the Offer is instead subject to a minimum 20 per cent. free float requirement. However, the Company will need to meet the Free Float Requirement within twelve months of the Listing Date by issuing an additional 5 per cent. of its Shares. As Shareholders would not be entitled to pre-emptive rights in respect of the offering of such additional Shares, any such issuance by the Company would dilute the holdings of Shareholders should they choose not to, or be unable to, participate in such issuance. See "*—Substantial future sales of Shares may dilute the holdings of Shareholders and may depress the price of the Shares*" below.

These factors could generally decrease the liquidity and increase the volatility of share prices on the MSX, which in turn could increase the price volatility of the Shares and impair the ability of a holder of Shares to sell any Shares on the MSX for the desired amount and at the price and time achievable in more liquid markets.

The Offer Price has been determined based on several factors, including the history of and prospects for the Company's business and the industry in which it operates, and as such, may not be indicative of the market price of the Shares after the IPO. The Company's operating results or financial performance may fail to meet the expectations of analysts or investors due to the circumstances described in these risk factors or otherwise. The trading price of the Shares could also be subject to significant fluctuations in response to variations in the Company's financial performance, general market conditions and other factors as well as the circumstances described in these risk factors or otherwise. Fluctuations in the Company's operating results or failure to meet the expectations of analysts or investors may cause the price of the Shares to decline, and investors may not be able to sell the Shares they purchased in the Offer at or above their original price or at all. As a result, investors who purchase Shares in the Offer could lose all or part of their investment in the Shares. Further, the value of the Shares may also be subject to significant fluctuation from time to time, which may not necessarily be related to the Company's financial performance. Consequently, the general decline in the market or any declines in the market for similar securities could have a material adverse effect on the trading market for, and the liquidity of, the Shares.

47. Substantial future sales of Shares may dilute the holdings of Shareholders and may depress the price of the Shares.

Sales of a substantial number of Shares following completion of the Offer may significantly reduce the Share price. The Company and the Selling Shareholder have each agreed in the Institutional Settlement Agreement to certain restrictions on their respective ability to issue, sell, transfer and otherwise deal in the Shares for a period of 180 days from the Listing Date, except in certain limited circumstances, unless otherwise consented to by the Joint Bookrunners (such consent not to be unreasonably withheld or delayed). Nevertheless, the Company is unable to predict whether substantial amounts of Shares (in addition to those which will be available in the Offer) will be sold in the open market following the completion of the Offer. It is possible that the Company may decide to offer additional Shares or securities convertible into Shares in the future, including in the form of stock-based compensation. Future sales could dilute the holdings of shareholders, adversely affect the prevailing market price of the Shares and impair the Company's ability to raise capital through future sales of equity securities. In addition, any sales of substantial amounts of Shares in the public market, or the perception that such sales might occur, could materially and adversely affect the market price of the Shares.

48. The Company may not pay dividends or declare dividends in the future.

While the Company intends to pay dividends in respect of the Shares in accordance with the Company's approved dividend policy, its ability to do so is contingent on achieving adequate profits, levels of retained earnings and the timing and amount of any future dividend payments will depend on applicable laws and regulations, the Company's existing and future financial condition, results of operations, liquidity needs, any restrictions on payment of dividends in its credit facility and other matters that the Company may consider relevant from time to time, including, without limitation, capital expenditures, financial performance and equity market conditions. Even if the Company generates significant profits, it may not pay dividends if the Board believes that Shareholder value may be increased more effectively by using the profit for other purposes, for example through reinvestment or in acquisitions, and hence there can be no assurance that holders of the Shares will receive dividends in the future. For further details, see "*Chapter XV—Dividend Policy*".

49. The Selling Shareholder will continue to be able to exercise control over the Company, its management and operations.

As at the date of this Prospectus, the Selling Shareholder, which is indirectly wholly owned by the Government through the Oman Investment Authority, holds 100 per cent. of the Issued Share Capital and immediately following the Offer, it will continue to hold at least 79 per cent. of the Shares assuming that it sells all of the Shares being offered in the Offer and that the size of the Offer is not increased. As a result, the Selling Shareholder will continue to be able to exercise control over the management and operations of the Company and over matters requiring the consent of the Shareholders, such as in relation to the payment of dividends and the election of the members of the Board and other matters. There can be no assurance that the interests of the Selling Shareholder and the Government will coincide with the interests of purchasers of the Shares. For example, decisions made by the Selling Shareholder may be influenced by the need to consider the social benefit of any investment to Oman and its nationals or other factors, including the ability of the Selling Shareholder to generate dividends or other returns for its shareholders. In the absence of any specific investment restrictions, including those designed to mitigate other potential investment risks, such decisions may prove to be more risky or less profitable than decisions that might otherwise have been made. In addition, neither the Selling Shareholder nor the Government are obliged to provide any financial or other support to the Company. Additionally, certain members of Management and certain members of the Board hold board membership or senior management positions at the Selling Shareholder or other companies within the Asyad Company. The interests of such members or the Selling Shareholder may be different from those of new investors.

Furthermore, the Selling Shareholder's significant ownership immediately following the Offer may: (a) delay or deter a change of control of the Company (including deterring a third-party from making a takeover offer for the Company); (b) deprive Shareholders of an opportunity to receive a premium for their Shares as part of a sale of the Company; and (c) affect the liquidity of the Shares, each of which could have a material adverse effect on the market price of the Shares. When considering an investment in the Shares, an investor should not assume that a shareholder with the ability to exercise control will be guided by the interests of all of the Shareholders.

50. Settlement will occur up to seven working days prior to listing and the application for listing of the Shares on the MSX may not be successful.

The Settlement Date for the Offer is expected to be on or about 10 March 2025, and all investors will be required to make full payment for the Shares prior to this date. However, the Company expects the

Listing Date to be on or about 12 March 2025. It is not possible to trade the Shares on the market prior to the Listing Date and, accordingly, investors will be unable to sell their Shares in response to events or circumstances affecting the Company, its business or financial markets during this period. As such, the investors will not know on the Settlement Date if the application for listing will be approved. If Admission does not become effective within seven working days of the proposed Listing Date, then (i) the Offer shall automatically terminate, (ii) the Selling Shareholder shall refund all monies received from investors, and (iii) investors who purchased Shares in the Offer will be required to return the Shares they have purchased to the Selling Shareholder.

51. It may be difficult for shareholders to enforce judgments against the Company in Oman, or against the Company's directors.

The Company is in the process of being converted into a public stock company incorporated in Oman and most of its directors and Management reside outside the US, UK and EEA. In addition, the Company's material assets and those of its directors and Management are located outside the US, UK and EEA. As a result, it may not be possible for investors to effect service of process outside Oman upon the Company or its directors and Management or to enforce judgments obtained against them in courts outside Oman, including judgments predicated upon the civil liability provisions of the securities laws of the US, UK or the EEA.

52. Non-Omani holders of Shares may be subject to exchange rate risk.

The quoted price of the Offer Shares will be in Omani Rials. In addition, any dividends that the Company pays in relation to the Shares may be paid in Omani Rials. As a result, fluctuations in the value of the Omani Rial in relation to other currencies may affect the value of the Shares and dividend payments on conversion into those other currencies for investors outside of Oman. See "*—Any adjustment to, or ending of, Oman's currency peg could negatively affect Oman, which could have a material adverse effect on the Company's business*".

Chapter V
Use of Proceeds

The Offer does not represent an issuance of new Shares. The Offer represents the divestment of Shares currently held by the Selling Shareholder. The proceeds of the Offer shall therefore accrue to the Selling Shareholder and the Company will not receive any proceeds from the sale of the Shares in the Offer. Offer expenses will be paid by the Selling Shareholder.

Chapter VI
Capitalisation

The summarised data presented below should be read in conjunction with "*Presentation of Financial, Industry and Other Market Data*", "*Chapter XIV— Management's Discussion and Analysis of Financial Condition and Results of Operations*" and the Financial Statements, including the related notes, included elsewhere in this Prospectus.

The following table, which has been extracted from the Interim Financial Statements, sets forth the Company's cash and cash equivalents and total capitalisation as at 30 September 2024.

	As at 30 September 2024
	(OMR millions)
Cash and cash equivalents	33.3
Borrowings	
Loans and borrowings – non-current	412.3
Loans and borrowings – current	53.4
Lease liabilities – non-current	71.9
Lease liabilities – current	79.1
Total borrowings	616.7
Capitalisation	
Share capital	130.2
Legal reserve	18.1
Cumulative changes in fair value	1.5
Retained earnings	296.9
Total capitalisation	446.7
Total borrowings and capitalisation	1,063.4

There have not been any material changes to the Company's cash and cash equivalents, total borrowings or total capitalisation since 30 September 2024.

Chapter VII
Objects and Approvals

Overview

The Company was incorporated and registered with MOCIIP as an SAOC on the Commercial Register on 20 May 2003. At an EGM held on 20 January 2025, it was resolved to convert the Company into an SAOG. This conversion process is expected to be completed following allocation of the Shares to the investors and the Shares being listed on the MSX on the Listing Date.

The Company's core business activity is to offer end-to-end maritime transportation solutions of crude oil, liquified natural gas, chemical products, dry bulk and containers. This includes ship owning, ship chartering and technical ship management activities. As at the date of this Prospectus, the Company is 100 per cent owned by the Selling Shareholder (directly and through its majority owned subsidiary, Oman Rail Company LLC) and, following this Offer, should the Offer be fully subscribed and if the Upsize Option is not exercised by the Selling Shareholder, the public will own 20 per cent. of the Issued Share Capital.

Following are the details of registered commercial activities and its registered branches, as per the Company's Commercial Register:

Ministry of Commerce, Industry, and Investment Promotion: Commercial Registration

Commercial Registration Number: 1723154
Date of registration: 20 May 2003
Expiry date: 11 July 2029

Registered Commercial Activities:

(i) 501201: International Maritime Goods Transport.

The Company currently has the following active branches:

(i) Registration ID: 45683330
Registration Date: 11 November 2020
Place: Madinat AlSultan Qaboos, Bousher / Muscat Governorate

Oman Chamber of Commerce & Industry: Membership

Number: 1441

Expiry date: 03/07/2025

Articles of Association

The principal objectives for which the Company is established is to offer end-to-end maritime transportation solutions of crude oil, liquified natural gas, chemical products, dry bulk and containers. This includes ship owning, ship chartering and technical ship management activities.

A copy of the Memorandum and Articles is available for perusal at the registered office of the Company during business hours on any Oman business day.

Resolutions Passed for Transformation of the Company

At the EGM held on 20 January 2025, among other matters, the following resolutions were unanimously passed:

(i) conversion of the Company from an SAOC to an SAOG, in connection with which the Selling Shareholder will offer to sell the Offer Shares for public subscription; and

(ii) approval of the proposed amendments to the Articles to align the Articles with the model issued by the FSA with respect to the form and content of the articles of association of SAOGs.

In addition to the above, on 24 December 2024, the Board of the Company unanimously resolved and approved dividing the Company's share capital by reducing the nominal / par value of the shares from OMR 1 per share (one Omani Rial) to 25 Bzs per share.

Continuing Obligations

In accordance with the CCL, all existing obligations of the Company, prior to its transformation into an SAOG, shall continue to apply to the transformed company. The transformation is expected to be completed following allocation of the Offer Shares to investors and the Offer Shares being listed on the MSX on the Listing Date.

Chapter VIII
Shareholding Details

Equity Structure of the Company at Incorporation and Subsequent Changes

The Company was incorporated on 20 May 2003 with an initial share capital of OMR 50,000,000 which was subsequently increased as follows:

- to OMR 62,500,000 in 2005;
- to OMR 108,490,200 in 2009;
- to OMR 346,646,012 on 15 June 2021; and
- on 02 December 2021, the Company's share capital was decreased to OMR 130,218,607, which is the current capital of the Company.

On 24 December 2024, the Board of Directors of the Company approved the change in the value of the Shares from one Omani Rial per Share to 25 Baizas per Share. The following table provides details of the Issued Share Capital, as at the date of this Prospectus:

Name of Shareholders	Number of Shares (value of Bzs 25) Held	% of Issued Share Capital
Asyad Group SAOC[(1)]	5,208,744,240	99.999%
Oman Rail Company LLC[(2)]	40	0.001%
TOTAL	**5,208,744,280**	**100.000%**

Notes:

(1) Asyad Group SAOC is 100 per cent. owned by the Oman Investment Authority.

(2) Oman Rail Company LLC is majority owned by Asyad Group SAOC.

Equity Structure Immediately Before and After the Offer

Immediately (i) before and (ii) after the completion of the Offer, and assuming that all of the Offer Shares in the Offer are sold, the Issued Share Capital will remain OMR 130,218,607 and will be held as follows:

Name of Shareholders	Number of Shares held immediately before the Offer	% of Total Issued Share Capital	Number of Shares held immediately following the Offer	% of Total Issued Share Capital
Asyad Group SAOC	5,208,744,240	99.999%	4,166,995,420	80.000%
Oman Rail Company LLC	40	0.001%	40	0.000%
Anchor investors..	0	0.000%	312,524,657	6.000%
Public shareholders....................................	0	0.000%	729,224,163	14.000%
Total..	5,208,744,280	100.000%	5,208,744,280	100.000%

Brief profile of Selling Shareholder

Asyad Group SAOC

The Asyad Group was established in 2016 in order to provide logistics solutions and propel the development of Oman as a global logistics hub. Asyad Group is wholly owned by the Government through the Oman Investment Authority. Asyad Group is Oman's global integrated logistics provider and has over U.S.$4.1 billion in total assets and operates in over 60 countries as at 31 December 2023.

Asyad Group's subsidiaries cover four principle logistics segments: (i) marine services (including shipping solutions, as well as ship maintenance, vessel repair and conversion services), (ii) ports and free zones (including Asyad Ports, Port of Salalah, Port of Duqm, Sohar Port and Free Zone, Salalah Free Zone and Khazaen Dry Port), (iii) general logistics services (including Asyad Express shipping, Oman post, warehousing services, transportation services and freight forwarding), and (iv) drydock and infrastructure (including Oman Rail operations, MWASALAT bus lines and ferry services).

Chapter IX
Overview of the Omani Economy

Location

Oman is a country located on the Arabian Peninsula with stable political, economic, and social systems. It is the second largest country by geographical area among the states of the GCC region, after Saudi Arabia. Strategically positioned at the crossroads of Asia and Europe, Oman has historically been a centre of trade and commerce. It has a population of 5.2 million as at June 2024, spread over a land area of 309,500 km^2, and a coastline extending over 3,165 km. Oman is administratively divided into 11 governorates (Al Dakhiliyah, A'Dhahirah, Al Batinah North, Al Batinah South, Al Buraimi, Al Wusta, Al Sharqiyah North, Al Sharqiyah South, Dhofar, Muscat, and Musandam), which are further divided into 63 provinces or wilayats. The capital of Oman is the city of Muscat. Oman boasts several key ports that enhance its trade capabilities, including, among others, Port Sultan Qaboos in Muscat, primarily a tourist and cruise hub; the Port of Salalah, one of the world's busiest container transshipment ports; the Port of Sohar, with a free zone that is integral for industrial imports and exports; and the Port of Duqm, which is central to Oman's economic diversification efforts. These ports contribute significantly to Oman's role as a vital logistics and trading conduit in the region.

Government

His Majesty Sultan Haitham bin Tarik Al Said succeeded after the passing of His Majesty Sultan Qaboos bin Said Al Said in January 2020. His Majesty Sultan Haitham bin Tarik Al Said as Head of State presides over the Council of Ministers. The Council of Ministers assists His Majesty in framing and implementing the general policies of Oman. The Basic Law serves as the basis of a constitution governing state affairs. The Basic Law establishes a bicameral system, known as the Majlis Oman, or Council of Oman, and comprises the appointed State Council and the elected Shura Council, and the members of each chamber serve in an advisory capacity, although the members of both chambers may also propose legislation.

International Relations

Oman maintains strong relations with its neighbours, as well as with a wide range of western and other countries. Oman has enjoyed political and economic stability for over 50 years and is a member of various prominent international organisations, including the United Nations, the International Monetary Fund, the International Bank for Reconstruction and Development and the World Trade Organisation.

Regionally, Oman is a founding member of the GCC (alongside five other Arab Gulf states: Bahrain, Kuwait, Qatar, Saudi Arabia and the United Arab Emirates). Oman is also a member of the GCC's Permanent Petroleum Cooperation Committee which is charged with preparing the long-term petroleum strategy of the GCC in accordance with its sustainability goals.

Key Economic and Social Indicators

The following table shows a selection of key economic and social statistics for Oman for the periods indicated:

Particulars	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
GDP at constant prices (*OMR billion*)	35.2	34.8	33.6	34.5	37.8	38.3
Population (*million*)...........	4.60	4.62	4.48	4.53	4.93	5.17

Particulars	2018	2019	2020	2021	2022	2023
Per capita GDP at market prices (*OMR*)	7,647	7,332	6,515	7,417	8,724	8,099[1]
Annual inflation.................	0.9%	0.5%	(0.4)%	1.7%	2.5%	0.9%
MSX market capitalisation (*OMR billion*)	18.2	18.8	20.2	22.1	23.7	23.8

Note:

(1) Calculated as per capita GDP at current prices (2023) = 2023 GDP at current prices/ December 2023 population.

Sources: NCSI; CBO Annual Reports; MSX Annual Statistical Bulletin; World Bank figures.

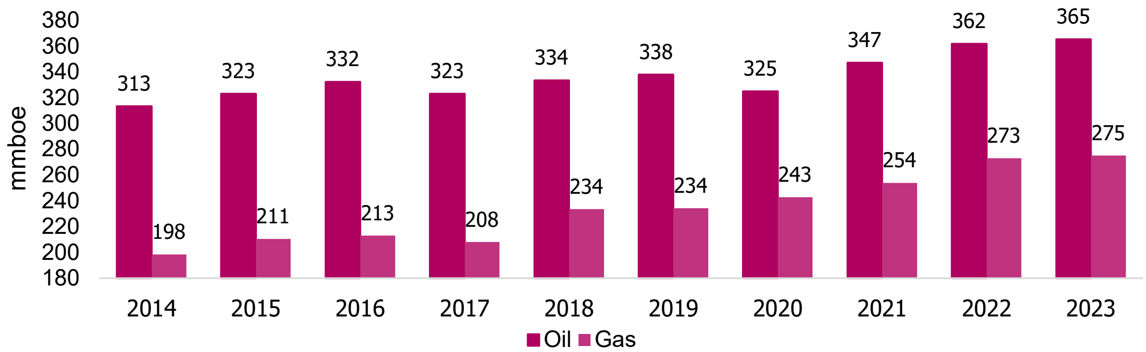
Economy

Oman's current credit ratings are "BB+" with a positive outlook from Fitch, "Ba1" with a positive outlook from Moody's Investors Service and "BBB-" with a stable outlook from Standard & Poor's.

The Omani Rial is pegged to the U.S. Dollar at a fixed exchange rate of U.S.$1 = OMR 0.385.

The exploration, extraction and export of oil are key components of Oman's economy and important contributors to the Government's revenues, exports and gross domestic product ("**GDP**"). The Dubai Mercantile Exchange's Oman Crude Oil Futures Contract is now the third of three global crude oil benchmarks and sets the benchmark export price for crude oil produced in Oman and Dubai. Oman is the world's 20th largest producer of oil (the second largest non-OPEC oil producer in the Middle East), as well as the 18th largest producer of gas, according to the Energy Institute Statistical Review of World Energy 2024 by the Energy Institute. While the Government continues to attract new investment in the upstream industry through licensing rounds, it continues to seek to diversify the economy in order to gradually reduce its dependence on hydrocarbon revenues, which accounted for approximately 72 per cent. of Oman's Government income for the fiscal year 2023 (as compared to approximately 86 per cent. in 2013).

The graph below displays annual oil and gas production in Oman during the period from 2014 to 2023:



Source: NCSI

Public Finance[1]

The Ministry of Finance is responsible for Oman's fiscal policy, including the endorsement of the annual general state budget.

In 2023, based on preliminary results, the Government recorded total revenue of OMR 12.5 billion compared to OMR 14.5 billion of revenue in 2022, a decrease of approximately 13.8 per cent., primarily due to a decrease in oil and gas revenues. The Government's 2023 actual revenue was approximately 24.8 per cent. higher than the revenue estimated in the 2023 budget, due to an increase in the oil price per barrel (average Brent price of U.S.$82 per barrel against a budgeted price of U.S.$55 per barrel) and increases in oil and gas revenues.

Public expenditure was OMR 11.6 billion in 2023 compared to OMR 13.3 billion in 2022, a decrease of approximately 12.8 per cent. and approximately 2 per cent. higher than estimated in the 2023 budget. The decrease was primarily attributable to a decline in public debt service expenditure and postponing the implementation of the Social Protection System, partially offset by increases in civil ministries expenditures and subsidies.

In 2023, Oman registered a surplus of OMR 936 million as compared to a budgeted deficit of OMR 1,300 million. The key drivers for the surplus were the generation of additional revenue as compared to the 2023 budget estimate due to an upturn in oil prices, continuing implementation of the Government's fiscal consolidation measures and a reduction in public debt.

The Government has used the additional revenue to repay existing indebtedness, and, as a result, the public debt decreased from OMR 17.6 billion at the end of 2022 to OMR 15.3 billion by the end of 2023.

Oman's 2024 budget has been prepared in line with the objectives of the Tenth Five-Year Development Plan (2021-2025) and is shaped by Oman's 2040 Vision priorities, including achieving fiscal sustainability and economic diversity and reducing the ratio of the public debt to GDP. The Government's total revenues are budgeted to be OMR 11.0 billion in 2024, marginally higher than the 2023 budget estimates. The increase in the estimated revenues for 2024 is attributable to the increase in net oil revenue by 11.2 per cent., net gas revenue by 12.5 per cent. and non-hydrocarbon revenue by 5.7 per cent. Revenue share from non-hydrocarbon activities is projected to reach OMR 3.5 billion in 2024 which is a 5.7 per cent. increase from the 2023 estimates.

The Government intends to continue to focus on maintaining fiscal sustainability, lowering public debt and achieving higher economic growth through sustainable investment in development expenditure and social expenditure. For 2024, the Government has budgeted for a total expenditure of OMR 11.7 billion which is 0.9 per cent. higher than the public expenditures of OMR 11.6 billion spent in 2023.

Development Plans

Vision 2040

Oman's Vision 2040 strategy was created to overcome challenges, keep pace with regional and global changes, generate and seize opportunities to foster economic competitiveness and social well-being, stimulate growth and build confidence in all economic, social and developmental relations nationwide.

Vision 2040, which was launched in 2020 as a comprehensive national 20-year plan, sets out several pillars and priorities. The People and Society pillar focuses on enhancing the quality of life in Oman through improved healthcare, education and housing, as well as on fostering an inclusive society that cherishes its cultural heritage. The Economy and Development pillar focuses on diversifying the economic base beyond oil by boosting sectors like tourism, fisheries, logistics and manufacturing, alongside enhancing private sector participation and

[1] Source: publications of the NCSI, the Central Bank of Oman and other public sources

attracting foreign investments. The Governance and Institutional Performance pillar focuses on enhancing governance through improved regulatory frameworks, transparency and public sector innovation. Lastly, the Sustainable Environment pillar focuses on environmental conservation, addressing climate change, sustainable management of resources, and promoting renewable energy, ensuring Oman's growth is sustainable for future generations.

Vision 2040 also includes a roadmap of 68 KPIs that set clear targets for 2030 and 2040, with the goal of transforming Oman into a more diversified and resilient society with even more effective institutions.

Divestment

In order to reduce its reliance on borrowing, enhance Oman's capital markets, bolster the MSX, further Vision 2040 and promote strong levels of private investment to spur economic growth, the Government has committed to divest a portion of its direct or indirect shareholdings in various Government owned and controlled companies. OIA, which the Government is using as a vehicle to divest many of its assets, has communicated a divestment programme anticipated to result in approximately OMR 1.9 billion (U.S.$5 billion) in proceeds during the five-year period of 2021-2025. Through the initial public offerings of Abraj Energy Services SAOG, OQGN and OQ Exploration and Production SAOG, proceeds of approximately OMR 1.2 billion (equivalent to U.S.$3 billion) have already been raised, and the Offer by the Company is part of this programme as well.

Currency and Financial System

The Omani Rial is the official currency of Oman. It is divided into 1,000 Bzs. From 1973 to 1986, the OMR was pegged to U.S.$ at 1 Omani Rial = 2.895 U.S. Dollars. In 1986, the rate was changed to 1 Omani Rial = 2.6008 U.S. Dollars, which translates to approximately 1 U.S.$ = OMR 0.3851. The CBO buys U.S.$ at 0.384 Omani Rial and sells U.S.$ at 0.385 Omani Rial.

The CBO was established in December 1974 by the Banking Law which sets out its functions and responsibilities. The CBO sets monetary policy independently after consulting with the Government about its fiscal policy objectives. In addition to the formulation and implementation of monetary policy, these include regulation and supervision of the banking system and the execution of foreign currency transactions on behalf of the Government. The financial sector comprises commercial banks, Islamic banks, investment banks, specialised banks, non-bank finance and leasing companies, as well as money exchange houses. The FSA's predecessor, the Capital Market Authority, was established pursuant to Royal Decree 80/1998 and commenced its duties on 9 January 1999. The Capital Market Authority was replaced and reconstituted into the FSA pursuant to Royal Decree 20/2024. The FSA is a Government entity with financial and administrative independence. Amongst the mandate of the FSA, it is entrusted with the key role to regulate the accounting and auditing professions and to supervise the capital market and insurance sectors in Oman and to develop the legal framework governing the same. A number of entities are regulated by the FSA, including the MSX and MCDC. The FSA also aims to promote market efficiency for investors and raise awareness of investor rights and the importance of the capital market.

Chapter X
Regulatory Framework

The Company is headquartered in the Sultanate of Oman but operates a fleet of vessels through various subsidiaries across multiple jurisdictions. A significant portion of the vessels operated by the Company are registered in Marshall Islands and Panama. Due to the nature of its business, the Company is subject to a diverse range of international maritime laws. This section outlines the primary laws of Oman and international laws that govern the Company's maritime operations.

Oman Maritime Law

Royal Decree 19/2023 promulgates the Maritime Law (the "**Maritime Law**") in Oman, which aims to enhance the growth of the country's maritime sector while prioritising navigational safety, seafarer protection, and environmental preservation. The Maritime Law addresses several critical aspects of ship operations, including contracts for the transportation of goods and persons by sea, the obligations of ship owners and operators, the appointment and duties of the master, the relationship with seafarers, mortgages over vessels, and the appointment of agents. Most importantly, the law stipulates that each ship must be seaworthy before it can be operated.

The Maritime Law governs all maritime transport, ships, and vessels, serving as the primary legislation applicable to the Company's operations. While the Maritime Law is the main legal framework, it gives precedence to international treaties on the subject matter ratified by Oman in cases of conflict. When operating outside of Omani ports, the law mandates that ships comply with local regulations, placing responsibility on the operator and master to ensure compliance.

The Maritime Law also mandates that ships operating within Omani waters obtain a navigational license.

Foreign ships are permitted innocent passage through Omani territorial seas, provided they comply with applicable Omani laws and regulations. Furthermore, the law allows foreign ships to use Omani ports, subject to certain conditions, such as appointing local agents.

The Maritime Law governs the employment relationship between ship owners/operators and seafarers in detail, ensuring fair treatment and welfare. It sets the parameters for employment contracts, duties, working conditions, and the obligations of shipowners/operators towards seafarers. Additionally, the law outlines the conditions under which employment contracts can be terminated and establishes rights for compensation and dispute resolution.

The Maritime Law also defines liability for shipowners, operators, and seafarers. Shipowners can limit their liability for accidents and damages, except in certain cases, such as personal fault or pollution. The law further provides that disputes involving registered ships or foreign vessels in Omani waters fall under the jurisdiction of Omani courts. The Company is obligated to comply with the liability limitation provisions based on the tonnage of its ships. Additionally, the law stipulates that the Company must ensure the ship's master fulfils their duties, including managing the vessel, overseeing contracts, and adhering to reporting and safety obligations.

The Maritime Law regulates ship mortgages, liens, and attachment procedures to secure maritime debts. It establishes maritime liens that prioritise debts related to master and crew wages, salvage, general average, and collisions. The Company must ensure that claims for loss or damage sustained by passengers and their luggage are properly managed within the 180-day limitation period. Furthermore, the Company must obtain the mortgagee's consent before selling any ship, and all ship mortgages must be recorded, enforced, and removed according to legal procedures.

The Maritime Law also provides regulations for the Company to appoint ship agents, cargo agents, and shipping agents. Unless otherwise agreed, contracts with these agents are governed by the law of the port state where the contracts are executed. The Company is responsible for ensuring that each agent's role is clearly defined and compliant with legal requirements.

Pollution / Health and Safety

Royal Decree 34/1974 promulgates the Marine Pollution Control Law (the "**MPC Law**"). The MPC Law sets the area around Oman as a pollution-free zone and prohibits any ship from discharging any contaminants in the pollution free zone.

The MPC Law obliges the Company to adhere to strict pollution control measures, ensuring that no discharge of pollutants, including oil, hazardous substances, or other harmful materials, takes place within the designated pollution-free zone or any surrounding waters. The Company is required to implement processes that prevent any spillage, leakage, or dumping of pollutants from its vessels, land sites, or oil transport equipment.

Oman Labour Law

The Labour Law was issued by Royal Decree 53/2023. It sets out the obligations of both employees and employers, covering Omani nationals and expatriates in the public and private sectors. The Labour Law addresses matters including, but not limited to, working hours, health and safety, the employment of non-Omanis, occupational health and safety, labour disputes, labour unions, and penalties for non-compliance. As the Company maintains its main offices in Oman with various employees other than the seafarers aboard the ships, it is also required to comply with the Labour Law.

Omanisation

Oman operates its Omanisation policy as implemented by the Ministry of Labour. Omanisation requires Omani companies to ensure that Omani nationals account for a prescribed percentage of the workforce. The Ministry of Labour prescribes Omanisation in accordance with the sector in which a company operates and Omanisation targets can be specific for each company. The Ministry of Labour also periodically notifies certain roles and designations which can only be undertaken by Omani nationals.

The Company must maintain an overall Omanisation rate of 80 per cent. In addition, certain roles within the Company, such as administrative and human resources, must maintain a 100 per cent. Omanisation rate. The Company has maintained an overall Omanisation rate of over 86 per cent. for each of the years ended 31 December 2021, 2022 and 2023.

International Law

Shipping companies are required to comply with various international frameworks designed to ensure maritime safety, environmental sustainability, and seafarer welfare. These include:

- **United Nations Convention on the Law of the Sea (UNCLOS):** Provides a legal framework for navigation, pollution control, and jurisdictional boundaries in international waters.
- **International Maritime Organization (IMO) Conventions:**
  - *SOLAS (Safety of Life at Sea)*: Ensures safety in ship construction, equipment, and operations.
  - *MARPOL (Marine Pollution)*: Regulates pollution prevention, including emissions and waste discharge.
  - *STCW (Standards of Training, Certification, and Watchkeeping)*: Sets global standards for crew training and competence.
- **Ballast Water Management Convention (BWMC):** Prevents ecological harm by controlling ballast water discharge and the transfer of invasive species.

- **ILO Maritime Labour Convention (MLC):** Protects seafarers' rights, ensuring fair wages, rest hours, medical care, and living conditions.
- **International Ship and Port Facility Security (ISPS) Code:** Mandates security measures to protect vessels, cargo, and ports from piracy and other threats.
- **Customs and Trade Regulations:** Compliance with global trade agreements, including WTO regulations, ensures efficient and lawful international trade.

In addition to international conventions, shipping companies must comply with specific national laws and local port regulations where their vessels operate. Local authorities, through Port State Control ("**PSC**"), inspect foreign ships to ensure compliance with international standards like SOLAS, MARPOL, and MLC. Ships are required to maintain valid certifications, safety records, and up-to-date documentation to meet these regulatory checks. Environmental laws imposed by ports may include stricter emission controls, waste management protocols, and ballast water discharge regulations. Compliance often requires the use of approved low-sulfur fuels, proper waste disposal systems, and adherence to emission control area ("**ECA**") guidelines. Shipping companies must also follow customs procedures, ensuring cargo documentation is accurate, tariffs are paid, and inspections are passed without delays. Immigration protocols for crew members, including visas and entry-exit procedures, are strictly adhered to in every jurisdiction. Moreover, ports may enforce additional safety and security measures, such as berthing protocols, emergency preparedness drills, and adherence to local security frameworks that complement the ISPS Code.

Chapter XI
Industry Overview

Except as otherwise stated below, the industry and market information in this Chapter is derived from the Market Report dated 6 December 2024, which was prepared by the Market Consultant. For further information, see "Presentation of Financial, Industry and Other Market Data — Industry and Market Data". The projections and forward-looking statements in this Chapter are not guarantees of future performance and actual results could differ materially from the projections and forward-looking statements.

Executive Summary

Report Outline

The Company has commissioned Maritime Strategies International Ltd. ("**MSI**" or the "**Market Consultant**"), an independent provider of global research and consultancy services in the shipping and maritime industries, to prepare an industry section for the purpose of the proposed initial public offering of Asyad Shipping Company.

The following section is an overview of the global crude and oil product, dry bulk, LNG, containership, and liner shipping markets, and related supply and demand dynamics. Information is presented on the underlying macroeconomic, energy landscape and industry drivers behind MSI's forecasts, as well as an overview of relevant environmental regulations. The information provided in this report is based on MSI's independent assessment of the market using a combination of MSI internal analysis and publicly available sources.

MSI believes it used suitable sources of information and methodologies for this study but due to the nature of the techniques and methodologies used in market research does not guarantee nor pledge as to the accuracy or completeness of such information. References to MSI should not be considered as the opinion of MSI as to the value of any security or the advisability of investing in the Company. While this section has been prepared, and is presented, in good faith, MSI assumes no responsibility for errors of fact, opinion or market changes, and cannot be held responsible for any losses incurred or action arising as a result of information contained in this document. Although any forecasts contained in this section are based on MSI's assumptions, there can be no assurance that these forecasts will prove to be accurate, as future events could differ significantly. Any forward statements, forecasts or trends contained in this section are not guarantees of the future and therefore no reliance should be placed on them.

Research Methodology

All data, analysis and research estimates in this section are based on research work conducted between March 2024 and November 2024 including: (i) desk research to collect publicly available secondary sources of data, including statistics on macroeconomic indicators, demographics from entities such as the IMF and World Bank, MSI's internal databases; (ii) MSI's data gathering across core and other markets; and (iii) cross-checks and analysis of sources to build a consensus on the market size and historic trends.

Forecasting Bases and Assumptions

The forecast bases and assumptions contained in this section are derived from views of the future evolution of the global economy, energy and commodity markets, which are outlined in the sections below. In MSI's modelling, these high-level drivers are translated into forecasts for global trade across a wide range of commodities and vessel demand. An assessment of vessel supply is also considered, in order to build a supply and demand balance for each shipping sector. Annual data presented in this report from 2024 to 2030 are forecast data and are based on MSI's Q4 2024 Base Case, however, as is the nature of market data historical data can also change from time-to-time, if more information becomes available.

The Global Shipping Industry

The global shipping industry provides an integral connection between nations and regions as the only practicable and cost-effective method of transporting large volumes of many essential commodities and finished good. As such, it has facilitated the expansion of economic globalisation for centuries. The shipping industry provides seaborne transportation for a wide range of different raw, semi-manufactured and manufactured goods and commodities. While the scope of cargoes transported by ships is diverse, they can broadly be categorised as either "wet" or "dry" cargoes. Wet cargoes include crude oil, oil products, chemicals, ammonia and liquefied gases (LNG and LPG). The main dry cargoes are coal, iron ore, grains, containerized finished goods, automobiles and other general cargoes.

Seaborne trade is fundamentally driven by geographical dislocations between sources of demand and sources of supply for commodities and manufactured products. This generates the requirement for ships to move cargoes from one region to another. Demand for the commodities traded by sea is principally affected by world and regional economic conditions as well as other factors such as changes in seaborne and other transportation patterns, and changes in the regional prices of raw materials and products.

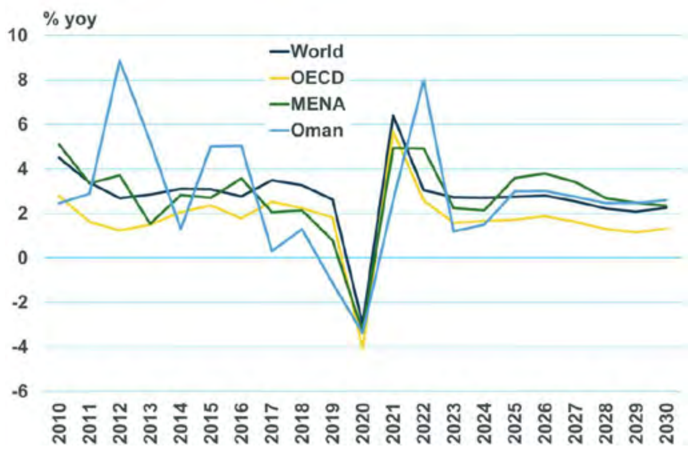
Macroeconomic Outlook

Global

Global macroeconomic growth is the key underlying driver for shipping demand. Cargo volumes are influenced by consumer and industrial demand for commodities and goods which are used for transportation, commercial, and industrial purposes. While there are a number of other factors, often varying by shipping sector, which drive and shape demand, global economic developments are fundamental in determining overall conditions in shipping markets.

Growth in global economic output continued to record a steady pace of expansion in the first quarters of 2024, as inflation continued to return to trend. It is expected that major central banks will continue to lower interest rates moving forwards. On a full-year basis MSI estimates that world GDP growth in 2023 was 2.7 per cent. year-on-year (constant prices basis), and forecasts that world GDP growth will be 2.7 per cent. year-on-year in 2024 and 2.7 per cent. year-on-year in 2025. Monetary policy easing is expected to be supportive of global economic growth in 2025. This relatively stable economic outlook follows several years of pronounced swings in global economic activity, with growth impacted by the Covid-19 pandemic and Russia's invasion of Ukraine.

Chart: Real GDP Growth Trends and Forecast



Note:

2024 to 2030 are forecast projections

Source: MSI Q4 2024 Base Case, IMF

Over 2021-22 the MENA region was a global outlier in terms of the strength of economic output growth, but since 2022 growth has slowed. This predominantly reflects the impact of oil production cuts, in combination with lower oil and gas prices, which has offset resilience in non-oil economic sectors. After estimated growth of 2.2 per cent. year-on-year in 2023, MSI forecasts that MENA real GDP growth will be 2.1 per cent. year-on-year in 2024 and 3.6 per cent. year-on-year in 2025. Both oil and non-oil economic sectors are expected to contribute to the forecast acceleration in regional economic growth.

GCC/Oman

Oman currently accounts for 5.5 per cent. of the GCC real GDP, a stable proportion since 2010. Over 2014-23, average Omani real GDP growth was 2.0 per cent. year-on-year, in line with average growth in GCC real GDP. GCC real GDP grew by an estimated 0.6 per cent. in 2023, following a 7.1 per cent. year-on-year expansion in 2022, with the slowdown in growth primarily reflecting oil production cuts. Oman is a significant oil producer with output historically stable and typically averaging close to 1 Mn b/d, just under 1 per cent. of global oil production. Industrial production in the GCC contracted in 2023, following a strong 12.0 per cent. year-on-year expansion in 2022. Oman's economy registered a 1.2 per cent. year-on-year expansion in 2023, following growth of 8.0 per cent. year-on-year in 2022.

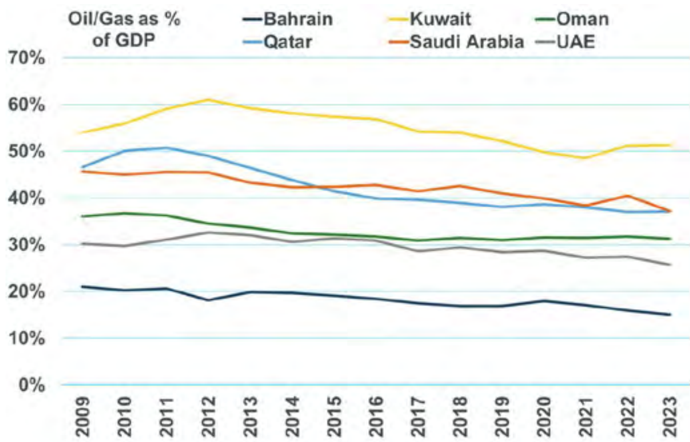
As with the wider GCC, the slower pace of economic growth in Oman in 2023 and H1 2024 was attributable to lower oil output. In contrast, non-energy exports have performed strongly, and growth in non-energy economic activities saw growth of 2.1 per cent. year-over-year in 2023, and 4.7 per cent. year-over-year in Q2 2024. Between March 2022 and July 2023, the Central Bank of Oman increased its benchmark interest rate from 0.5 per cent. to 6.0 per cent., in line with the interest rate increases introduced by the Federal Reserve. The policy rate was lowered to 5.5 per cent. in September 2024, and 5.25 per cent. in November 2024. The Omani rial maintains a currency peg vis-à-vis the US dollar. Consumer price inflation in Oman has remained contained, decelerating from 2.5 per cent. year-over-year in 2022 to 0.9 per cent. in 2023.

Over the period to 2030, MSI forecasts that Oman will see average real GDP growth of 2.5 per cent. p.a., with growth of 1.5 per cent. in 2024, 3.0 per cent. in 2025, and 3.0 per cent. in 2026. Non-oil and gas-related GDP growth is expected to be up to 1 per cent. higher than aggregate GDP growth over this time frame, with growth in oil and gas-related GDP seeing slower growth than aggregate real GDP. Increased oil production will provide a boost to economic output in the 2025-26 period, while, over a medium-term horizon, lower interest rates and economic reform measures are expected to strengthen private investment. Risks to the economic outlook relate primarily to oil and hydrocarbon market volatility. Key recent reform measures introduced under the Oman Vision 2040 programme include allowing full foreign ownership of local companies, increased support for small and medium-size enterprises ("**SMEs**") under the Oman Future Fund, and more flexible rules around property purchases. The Oman Investment Authority ("**OIA**") was established in 2020 to catalyse private investment, in particular in the fields of real estate, logistics, green hydrogen and renewable energy. As of 2023, inward Foreign Direct Investment ("**FDI**") as a share of GDP was an estimated 3.4 per cent. in Oman, compared to a GDP-weighted average of 2.8 per cent. across the GCC. In November 2024, the Ministry of Commerce, Industry and Investment Promotion launched the "Tasnee" plan to boost local content within the industrial sector.

Ratings agency S&P upgraded its outlook on Oman's current 'BB+/B' credit rating to positive in March 2024, reflecting improved fiscal conditions and ongoing economic reform efforts. October saw a further upgrade to 'BBB-' with a stable outlook, supported by improving financial performance. Oman's current account moved into surplus in 2022 following seven years in deficit and, under the Medium-Term Fiscal Plan ("**MTFP**") introduced in 2020, central government debt as a share of GDP fell from 68 per cent. in 2020 to 38 per cent. in 2023.

Across the full range of GCC economies, the degree of economic diversification away from the oil and gas sector is differentiated. While oil-related economic activity accounted for an estimated 51 per cent. of Kuwaiti real GDP in 2023, in Bahrain the equivalent share was 15 per cent. The share of oil-related GDP activities within overall Omani GDP fell from an estimated 37 per cent. in 2010, to 31 per cent. in 2023. The independent economics forecaster, Oxford Economics, expects this share to fall to 25 per cent. by 2030.

Chart: GCC Oil and Gas Activities as Share of Real GDP



Note:

(1) Oil-related GDP defined as economic activity tied to crude oil production, natural gas production, and oil refining

Source: MSI Q4 2024 Base Case, Oxford Economics

Energy Transition

Market Overview and Introduction

Global energy demand is met by the use and processing of several key primary energy sources. Broadly these can be defined as hydrocarbons (mainly oil, gas, coal and biofuels), renewables (mainly solar and wind), hydroelectric and nuclear. Key uses for energy include commercial and public services, industry, residential and transportation.

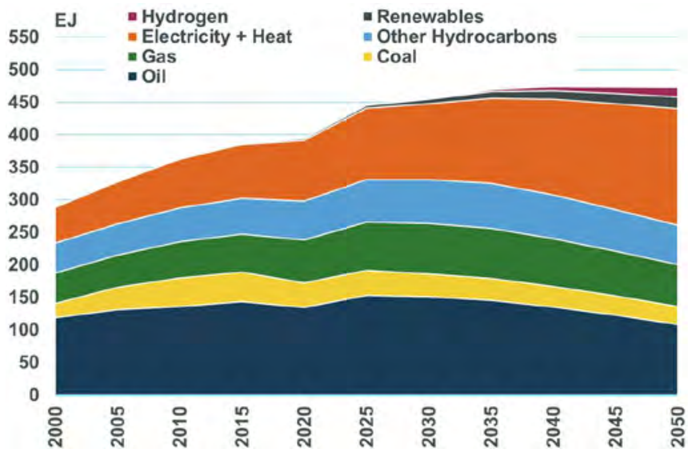
Global energy markets are changing as trends in decarbonisation, demographic and economic growth, energy security and consumer behaviour shape the production and consumption of energy. Global energy demand has seen consistent long-term growth aligned with demographic and economic expansion. Historically this has been dependent on fossil fuels – oil, gas and coal – to meet demand, and these will remain an important part of the global energy mix. The energy transition refers to underlying structural changes in energy supply and demand, associated primarily with the shift away from fossil fuels towards lower emission energy sources such as renewables, hydrogen and nuclear.

Shipping and marine sectors have varying degrees of exposure to the energy transition. Some sectors are involved in exclusively transporting energy related cargoes, or servicing energy-producing infrastructure, whilst others move commodities of both energy- and non-energy related cargoes. Some sectors such as containers have very limited or no direct cargo exposure to the energy transition.

Looking at global final consumption of energy the share of hydrocarbons globally is set to decline, dropping from about 75 per cent. currently, to just over half by 2050. Overall usage of hydrocarbons is expected to peak around 2030, although these fuel types will remain a large part of the global energy mix by 2050. Initially, MSI expects the 'gap' in energy to be met by electricity, which will continue to grow in both absolute terms and market share through the forecast. In turn, this will require significant increases in, and changes to, electricity generation to meet this requirement in an increasingly sustainable way.

The Oman Vision 2040 strategy includes a pillar of Sustainable Environment. This includes the objective of ‘Renewable energy, diversified sources of energy, and rationalised consumption to achieve energy security’. The National Program for Carbon Neutrality has the overall objective of achieving net zero CO_2 emissions by 2050.

Chart: Final Energy Consumption – Fuel Type

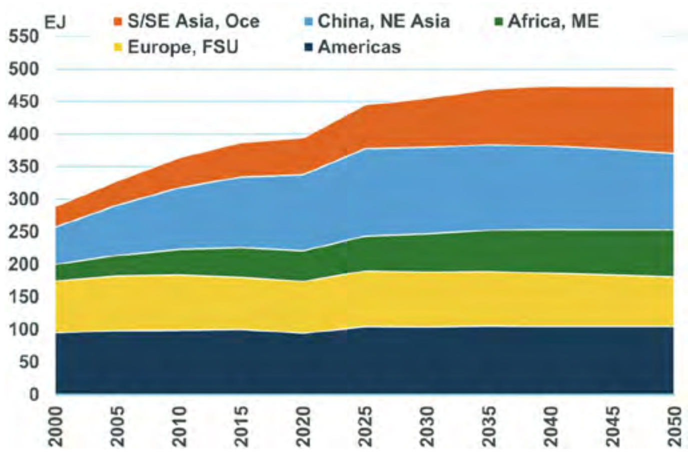


Note:

2024 to 2050 are forecast projections

Source: MSI Q4 2024 Base Case

Chart: Final Energy Consumption – Region



Note:

2024 to 2050 are forecast projections

Source: MSI Q4 2024 Base Case

Oil Tanker Market

Market Overview and Introduction

Oil tankers move oil in both its unrefined form (crude) and refined forms (products). Oil products are generally classified as clean (for example, gasoline, diesel, jet fuel, naphtha) and dirty (fuel oil). Clean products are typically moved in tankers with coated tanks, whereas crude and fuel oil are moved in uncoated vessels. Crude movements are concentrated between sources of oil production (for example, Middle East, Africa, Americas), refining and storage centres. Oil products move between refineries and areas of oil consumption, trading and storage.

Uncoated vessels are on average larger than coated ones, being mainly used to move large quantities of crude oil from producing regions to refineries.

With both crude and product types, Asyad ranks second in the GCC region in terms of oil tanker ownership, after Bahri. Asyad has 22 crude tankers, including 16 VLCCs (four of which are under order), four Suezmax vessels and two Aframax vessels, as well as 34 product tankers.

Table: Oil Tanker Vessel Types and Typical Trading Regions

Vessel Class	Tank Type/Cargo	Approximate Size	Typical Trading Regions
VLCC	Uncoated/Crude	>200,000 Dwt	Middle East/Atlantic Basin to Asia
Suezmax	Uncoated/Crude	125-160,000 Dwt	Middle East/Atlantic Basin to Asia, intra-Atlantic Basin, ex-Russia
Aframax	Uncoated/Crude	80-125,000 Dwt	Intra-regional
LR2	Coated/Products	80-125,000 Dwt	Middle East to Asia/Europe
LR1	Coated/Products	70-80,000 Dwt	Middle East to Asia/Europe
MR	Coated/Products	40-55,000 Dwt	Intra-regional
Handysize	Coated/Products	<40,000 Dwt	Intra-regional

Source: MSI

Oil Tanker Demand

Oil Demand

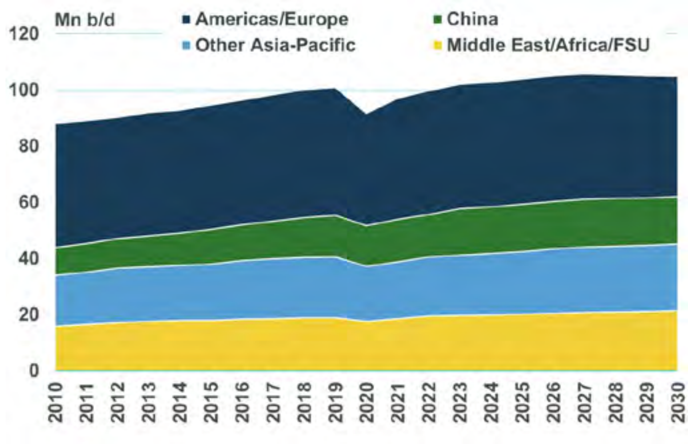
Oil tanker demand is driven by underlying oil demand, and the dislocation between both sources of crude oil production, refining and storage centers, and points of consumption. Oil demand growth is influenced by GDP growth as transportation, industrial and other oil demand uses fluctuate with economic activity. Alongside economic activity, other factors such as prices, policy, fuel efficiency and fuel substitution also play a role in determining a particular region’s oil demand characteristics.

The Covid-19 pandemic, whilst generating major economic shock, added a previously unseen element to oil demand in the form of government-imposed restrictions on movement and travel. The result was a major reduction in transportation demand followed by uncertainty over the pace and timing of the global recovery.

Other structural factors, such as technological advances, increased vehicle efficiency and wider commercialisation of electric vehicles have and will impact future oil demand growth. As such, MSI expects global oil demand growth to slow, and start to contract, over the course of this decade.

Long-term shifts in oil demand are following trends in underlying economic growth, with higher growth regions, typically in Asia, seeing stronger demand growth, whilst more mature economies, such as Europe, seeing lower growth or decline in oil demand.

Chart: Oil Demand by Region



Note:

2024 to 2030 are forecast projections

Source: MSI Q4 2024 Base Case

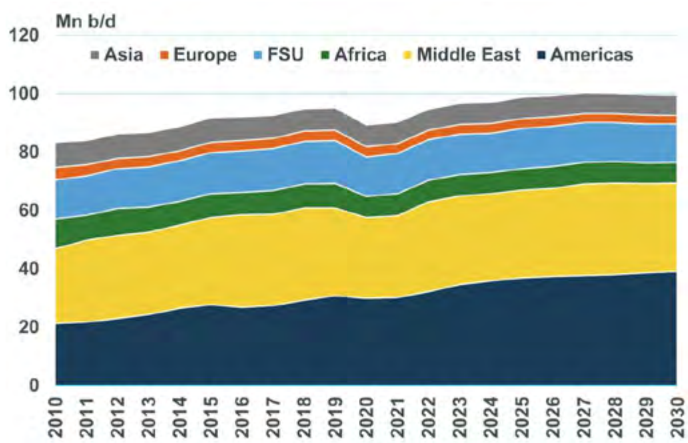
Oil Production

Oil production is concentrated in the Americas, Middle East, FSU, and Africa, which account for approximately 90 per cent. of global oil output. Of these regions, the Americas has been the primary driver of growth over the last decade. Since 2010, US shale production has been a key driver of oil output. Although US oil production fluctuated during the global pandemic, it has recovered strongly. In Latin America, countries such as Brazil and Guyana are contributing to ongoing production increases.

OPEC production policy is an important factor in influencing both global oil production levels and tanker market conditions.

In the Middle East region, key producers saw significant increases in oil production through 2021 and 2022, and levels are currently close to pre-pandemic levels. The majority of the region's producers including Oman, are members of OPEC or OPEC+. Oman is a member of OPEC+ and a significant oil producer with output historically stable and typically averaging close to 1 Mn b/d.

Chart: Oil Production

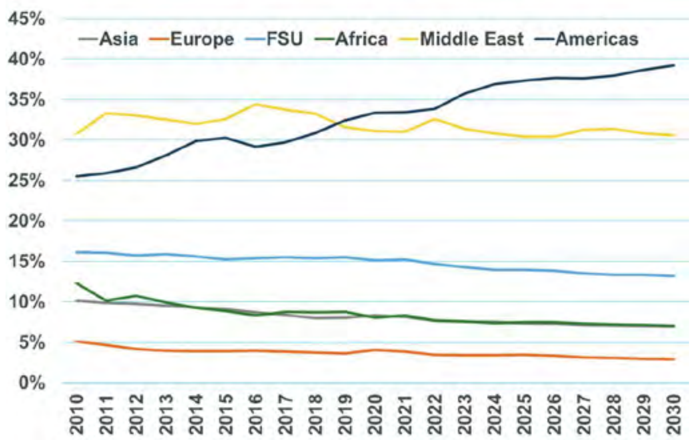


Note:

2024 to 2030 are forecast projections

Source: MSI Q4 2024 Base Case

Chart: Oil Production Shares



Note:

2024 to 2030 are forecast projections

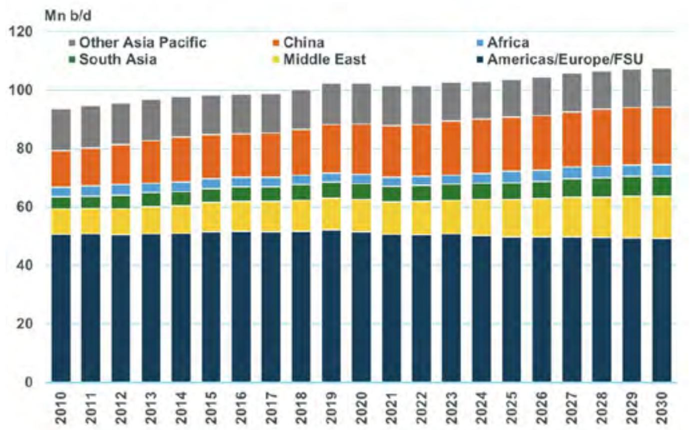
Source: MSI Q4 2024 Base Case

Oil Refining

Oil refineries are a key link in the oil value chain, processing crude oil, which is often transported there by uncoated tankers, and transforming it into refined products, which in turn can be transported by coated or uncoated tankers depending on the product type. Typically, refineries will produce a mix of oil products depending on their complexity, including gasoline, diesel, jet fuel, naphtha, LPG and fuel oil.

With refining capacity generally shifting eastwards with global demand, Asia and the Middle East are expanding refining capacity rapidly whilst future capacity in North America and Europe has declined as a result of plant shutdowns, which were accelerated by the Covid-19 pandemic.

Chart: Refinery Capacity



Note:

2024 to 2030 are forecast projections

Source: MSI Q4 2024 Base Case

Over the last decade, refinery capacity in the GCC region has increased by over 40 per cent. to around 6.5 Mn b/d in 2023. This accounted for 6 per cent. of the global total, up from 5 per cent. in 2013. Oman has been part of this growth, and in 2023 accounted for 7 per cent. of GCC refining capacity, versus 5 per cent. in 2013.

Over the last decade, Oman's refinery capacity has almost doubled, with the addition of the Sohar expansion and the new Duqm refinery. At 230 k b/d, the recently completed Duqm refinery is a sizable addition to Oman's overall capacity. The plant reached nameplate capacity in Q1 2024, and the operator OQ8 has stated that it may be able to reach 10 per cent. above this level in the future. Once this ramp up is fully factored in, Oman's refining capacity will exceed 500 k b/d.

Table: Refinery Capacity – Oman

Mn b/d	2010	2015	2020	2023
Oman	222	222	304	435

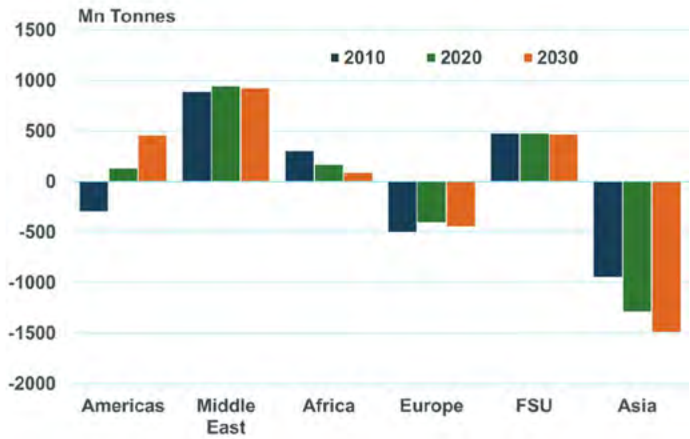
Source: MSI Q4 2024, Energy Institute

Oil Trade

Crude oil trade is caused by the geographical dislocation between sources of crude oil production, refineries, storage and trading centers. Oil products trade typically moves from refining and storage centers to regions where there is a deficit of a particular type of product, driven by oil consumption requirements and local refining capacity.

The Middle East region has the largest global surplus of oil, with the FSU also seeing a significant and consistent surplus. Asia has the largest deficit, driven by its high levels of consumption and limited resources. Europe also has a sizable oil deficit. The Americas has shifted from a deficit position to a surplus, supported by US shale oil production growth and increasing oil output in South America.

Chart: Oil Trade Net Balances*



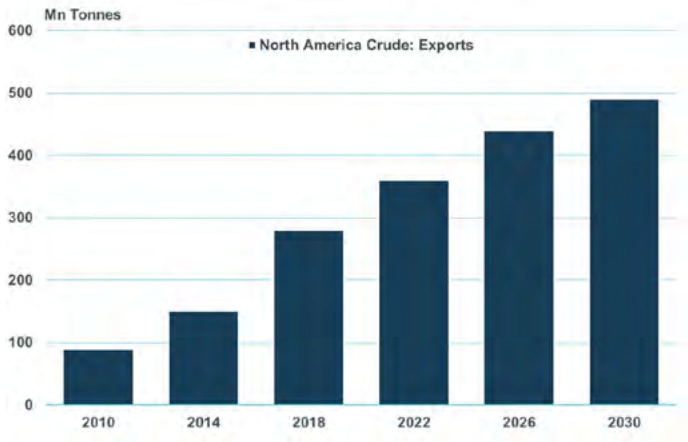
Note:

2030 are forecast projections

*Shows Net balance between imports and exports of crude oil and refined products

Source: MSI Q4 2024 Base Case

Chart: North America Crude Exports



Note:

2024 to 2030 are forecast projections

Source: MSI Q4 2024 Base Case

Oil tanker deployment and trade patterns are also influenced by physical restrictions to access areas or ports, national and international policy, commercial relationships, cargo trading and arbitrage optionality, and other factors. As a result, key crude oil trade routes originated in the major producing regions (the Middle East, Americas, FSU and Africa), with destinations largely consisting of major consumption centers in Asia, Europe and North America.

In the current decade, the Covid-19 pandemic and geopolitical turbulence have affected both the overall volumes of oil trade, and its geographic routings. The Russian invasion of Ukraine in 2022 was a major disruptive event for the oil tanker sector, changing established patterns of trade both from Russia and to Europe. This was a consequence of both Europe reducing Russian oil imports and increasing oil imports from alternative and more distant sources, such as the Americas, Middle East. Meanwhile Russia has broadly maintained its oil production and export volumes found alternative also more distant (compared to Europe) markets, primarily, in Asia for its oil.

Asia is the most important region for crude imports, given its high and growing levels of oil demand, and relatively low levels of oil production. This leaves a large imbalance between oil demand and supply, which must be filled with crude oil imports. As Asian oil demand has grown, and western demand has stagnated (with refining capacity broadly tracking these developments), crude oil trade has also reflected these trends. Volumes of Asia-bound crude oil trade have increased, with imports in western markets falling (also supported by growing oil production in North America). This trend of relative increase in Asia-bound crude oil trade is forecast to continue.

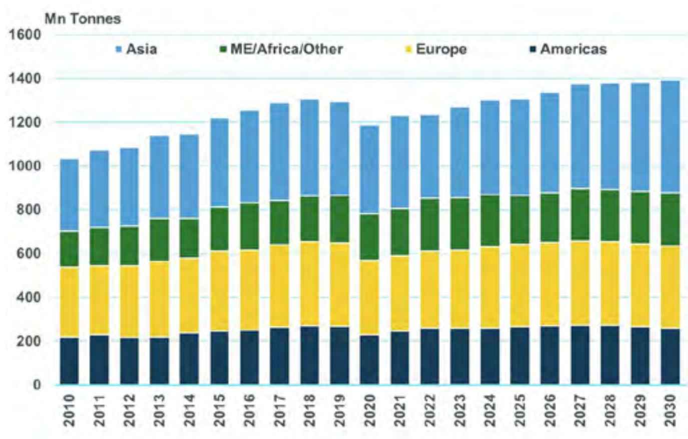
Meanwhile, the Middle East has been the largest region for crude exports and remains so despite the impact of both production cuts, and higher regional refining throughput. Historically, given high production levels and substantial spare capacity, Middle Eastern production has played a flexible role meeting global oil demand requirements. Most of the region's producers are members of OPEC and output broadly tracks the group's production policy.

The core 'axis' of the global crude trade map is from the Middle East to Asia. However, with changing production dynamics, particularly the increase in oil production in the Americas, MSI has seen a trend in rising crude trade flows from the Americas to Asia, which must travel much further (and therefore require increased tanker transportation capacity per tonne shipped).

As a consequence of the drop in oil demand in 2020 and subsequent policy decisions, crude oil trade volumes fell sharply. They have since recovered, though restrictive OPEC+ policy has limited this increase, with the group implementing both group-wide and voluntary production cuts. OPEC+'s target for unwinding its 2.2 Mn b/d of voluntary cuts has been repeatedly pushed back through the course of 2024.

For oil products trade, growth in seaborne cargo has been stronger than crude over the last decade, although this was also severely impacted by the pandemic. Historically, regions such as Latin America and Africa suffered from a lack of investment in refining capacity needed to increase their intake of products to meet growing oil demand. Europe has seen net gains due to previous refinery rationalisation and a structural imbalance of middle distillate production. Asia-Pacific product demand growth has been supported by SE Asia, with Oceania playing a more prominent role in recent years, again due to refinery shutdowns. As such, refined product import demand has been more stable and widespread by region, although it nonetheless also saw a sizable drop as a result of Covid-19, and is recovering.

Chart: Product Imports by Region



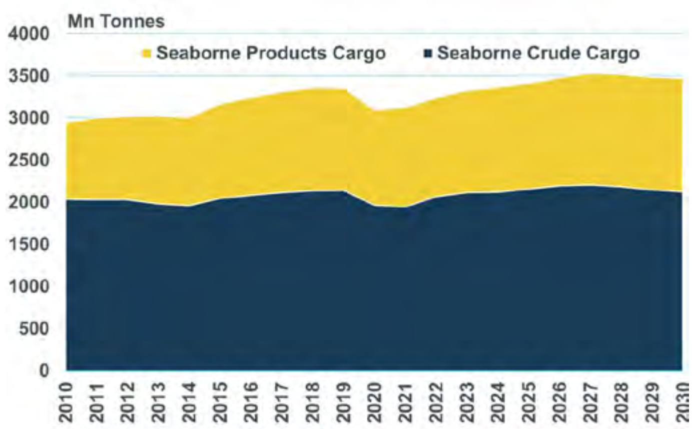
Note:

2024 to 2030 are forecast projections

Source: MSI Q4 2024 Base Case

Refining developments will continue to play a key role in driving products trade, both in terms of new projects (which can enhance a region's product export potential, and/or reduce product imports) and plant shutdowns. In the GCC region MSI has seen expansion in refining capacity drive higher product exports. Other factors, such as Europe's reduction in Russian product exports, have increased the flows from the Middle East to Europe.

Chart: Seaborne Oil Trade



Note:

2024 to 2030 are forecast projections

Source: MSI Q4 2024 Base Case

Deadweight Demand

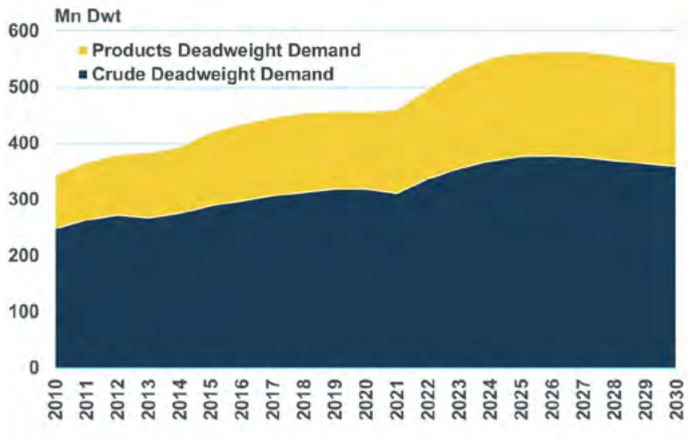
Tanker demand is driven by distances travelled, as well as speed and other 'frictional' factors such as port delays. These market elements can be instigated by a range of factors.

Both crude oil and refined products trade patterns have seen substantial changes as a consequence of the war in Ukraine and subsequent alterations in political and economic relations. The proximity of Russia's western coasts; the primary outlets for its seaborne oil exports to Europe, historically, meant that seaborne oil voyages from Russia were relatively short. With these flows effectively stopping, both European oil imports and Russian exports now depend on longer-haul trade. This increased the overall 'distance' component of global oil trade, supporting tanker demand.

Further supporting this has been the disruption in the Suez Canal/Red Sea region. Diversions around this route have been significant for the tanker sector, adding higher distances and accelerating deadweight demand. For example a voyage from the Middle East region (Port of Muscat) to Europe (Rotterdam) that would have been approximately 5900 NM using the Suez Canal, 10600 NM when routed via the Cape of Good Hope, increasing the voyage distance by nearly 80 per cent.

The combination of these factors in recent years has boosted tanker deadweight demand growth beyond that of trade growth and supported the strong oil tanker earnings witnessed since 2022.

Chart: Tanker Deadweight Demand



Note:

2024 to 2030 are forecast projections

Source: MSI Q4 2024 Base Case

Fleet Supply

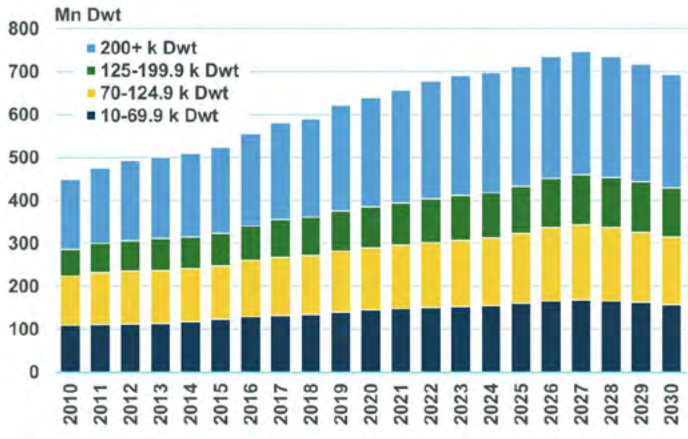
The tanker fleet (including uncoated and coated product/chemical tankers) is approaching 700 Mn Dwt in size. The VLCC segment, shown in the chart below as '200+ k Dwt', is the largest component of this, accounting for approximately 40 per cent. of total deadweight capacity in 2023. The 10-70 k Dwt (including MR and Handysize product tankers as well as chemical tankers) and 70-125 k Dwt (including uncoated Aframax tankers as well as LR1/2 product tankers) segments are comparable in size, and account for 22 per cent. of capacity each in deadweight terms. The Suezmax fleet is the smallest of the four categories shown, with a 15 per cent. share of capacity.

After relatively low levels of oil tanker ordering (or contracting) between 2016 and 2022, ordering increased sharply in 2023, driven by product tankers and Suezmaxes. The trend of higher contracting has continued in 2024, although the focus has shifted, with more VLCCs ordered. Overall, the +10 k Dwt tanker fleet-to-orderbook ratio reached a recent low point in 2022 (on an annual average basis) as a result of falling orders and ongoing deliveries, dropping below 5 per cent. This has since reversed and this metric increased in 2023, growing further in 2024 as a result of the resurgence in ordering.

The strong earnings environment, alongside high demand for older tonnage, has deterred oil tanker scrapping activity in recent years. Older tonnage has seen demand increase as vessels are sold into and used in what is termed the 'grey fleet'. Nonetheless, scrapping can only be offset for so long. With a rapidly ageing fleet over the forecast period, MSI expects high levels of scrapping in the future, with contracting rates recovering after low ordering in recent years, supported by improved earnings.

As such MSI also forecasts the tanker fleet to peak within the current decade, before declining as scrapping volumes increase. This will be a major factor shaping underlying tanker market conditions, and should be a strongly supportive element for tanker market earnings in the medium/long-term.

Chart: +10 k Dwt Tanker Fleet



Note:

2024 to 2030 are forecast projections

Source: MSI Q4 2024 Base Case

Table: Uncoated Tanker Fleet Age Profile and Orderbook by Segment (Mn Dwt)

	0-4 Yrs	5-9 Yrs	10-14 Yrs	15-19 Yrs	20-24 Yrs	25+ Yrs	Orderbook
70-124.9 k Dwt................	7.6	11.9	14.7	26.5	16.7	4.1	4.0
125-199.9 k Dwt.............	17.2	22.5	25.2	20.1	14.3	3.2	16.7
200+ k Dwt.....................	41.8	69.0	70.9	51.6	43.4	8.2	21.6

Source: MSI Q4 2024 Base Case (Data as of 30 November 2024)

Table: Coated Tanker Fleet Age Profile and Orderbook by Segment (Mn Dwt)

	0-4 Yrs	5-9 Yrs	10-14 Yrs	15-19 Yrs	20-24 Yrs	25+ Yrs	Orderbook
40-79.9 k Dwt.................	15.3	25.6	25.6	40.7	14.5	3.5	20.1
80+ k Dwt.......................	12.3	17.7	9.0	11.7	3.2	1.1	18.9

Source: MSI Q4 2024 Base Case (Data as of 30 November 2024)

Whilst the total fleet gives us a broad measure of tanker capacity, it should be noted that the availability of the fleet can be reduced due to market-related factors. These can include tonnage used for temporary floating storage, or equipment retrofit (e.g., scrubbers for the removal of sulphur).

Alongside changing oil trade patterns, the Ukraine war and its consequences have also significantly altered the tanker chartering landscape. The G7/EU price caps for Russian crude and products restrict the use of mainly European domiciled maritime-related services and maritime transport servicing Russian cargoes. A ‘grey’ or ‘shadow’ fleet of tankers facilitating Russian oil exports has also emerged, characterized by older vessels of uncertain ownership.

Oil tanker ownership is diverse and spread across a wide range of companies globally, from state-owned companies to large multinational corporations to smaller independent owners. The GCC does have a number of large tanker owners, including Asyad Shipping, with six appearing in the top 100 in terms of numbers of vessels. More generally, the GCC fleet has continued to grow since 2017, increasing by around 80 vessels to a fleet of approximately 450 vessels in total in 2024.

Tanker Freight Market and Earnings

Oil tanker earnings, represented here by one Year timecharter rates, are very volatile and characterised by major fluctuations. Spot market earnings in the sector see even greater variation. The peaks and troughs observed broadly correspond to the employment rate, and this is used to project the earnings outlook.

Tanker earnings have in recent years been very strong, with substantial annual gains in 2022 and 2023. In many cases these are much high than historical average levels, particularly for timecharter rates. These conditions have been elevated primarily due to the major global shocks, and associated consequences of the war in Ukraine, and the Suez Canal/Red Sea crisis. Demand growth, supported by these factors, has outstripped supply. This has pushed up underlying market utilisation, or the employment rate, driving up tanker earnings.

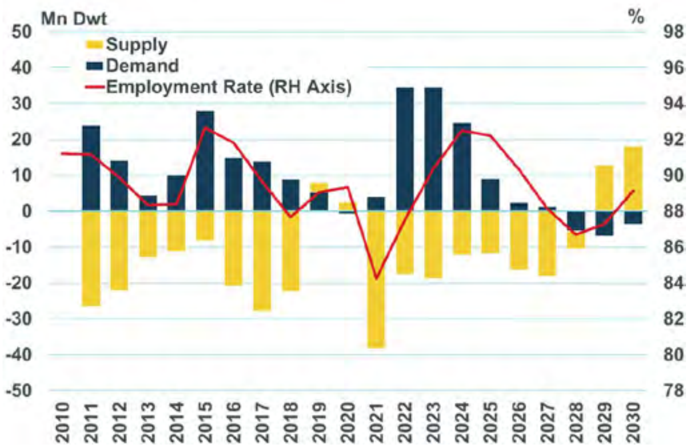
In the nearer-term, MSI expects demand growth to slow and deliveries to rise (from very low levels in 2024), putting some pressure on market utilisation and earnings. On the demand side this will be dependent on, for example, slowing global oil demand growth, and normalisation (i.e., return to widespread usage) of the Suez Canal in 2026.

The longer term, MSI expects underlying oil demand to plateau and then contract as a consequence of the energy transition. This will have a negative effect on tanker demand growth which will flatten in 2027 then begin to contract. Nonetheless, high scrapping and a reduced fleet will act to support earnings and utilisation even as demand subsides.

Higher rates of scrapping are key to this forecast, and although this activity has been deferred both by a high earnings environment in recent years, and the transfer of tonnage into the grey fleet, it cannot be put off indefinitely.

As a consequence in the latter part of the current decade, the fleet is forecast to contract, with available supply dropping at a faster rate than demand, leading to a stabilisation and then increase in the employment rate which in turn supports oil tanker earnings.

Chart: +10 k Dwt Tanker Market Fundamentals*



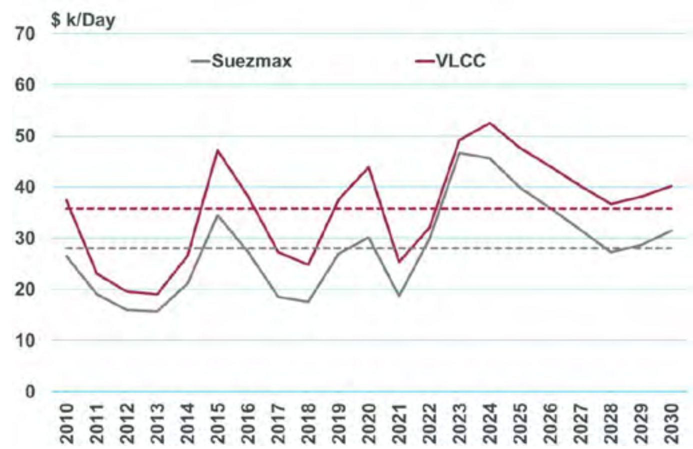
Notes:

(1) *Changes to fleet are inverted to show impact on employment rate relative to demand

(2) 2024 to 2030 are forecast projections

Source: MSI Q4 2024 Base Case

Chart: Crude Tanker 1-Year Timecharter Rates



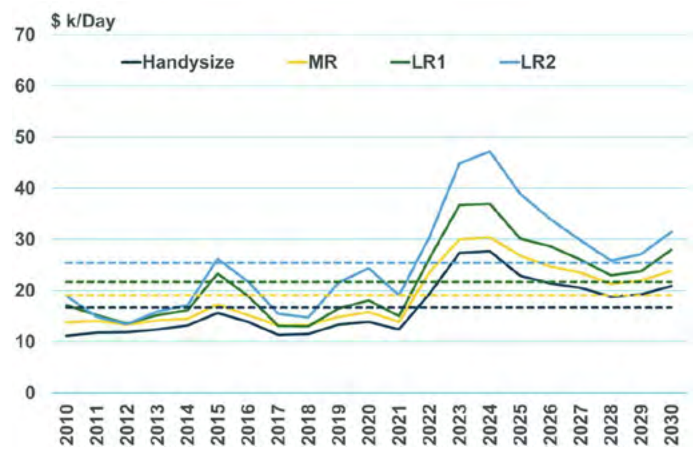
Notes:

(1) Dashed Lines Denote Averages over Period 2010-2030

(2) 2024 to 2030 are forecast projections

Source: MSI Q4 2024 Base Case, Various brokers

Chart: Product Tanker 1-Year Timecharter Rates



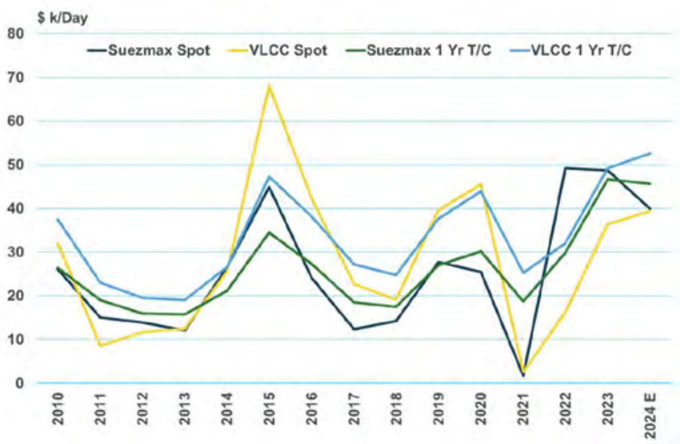
Notes:

(1) Dashed Lines Denote Averages over Period 2010-2030

(2) 2024 to 2030 are forecast projections

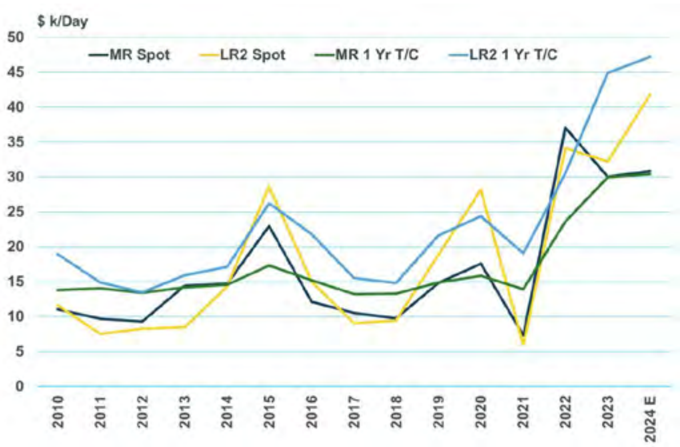
Source: MSI Q4 2024 Base Case, Various brokers

Chart: Historical Crude Shipping Earnings



Source: MSI Q4 2024 Base Case, Baltic Exchange, various brokers

Chart: Historical Products Shipping Earnings



Source: MSI Q4 2024 Base Case, Baltic Exchange, various brokers

Dry Bulk

Market Overview and Introduction

Dry bulk commodities encompass a wide range of raw and semi-finished materials, typically categorized into four groups: iron ore, coal, grains, and minor bulks. The most significant of these are iron ore, coal, and grains, which together account for approximately two-thirds of total dry bulk trade. Minor bulks include various commodities such as agricultural products (e.g., fertilizers), steel products, forest products, metals, cement, and minerals.

Dry bulk cargoes can be transported by various-sized vessels, leading to high cross-correlations of earnings across vessel sizes. MSI splits the dry bulk fleet into the following size bands by deadweight capacity:

Table: Dry Bulk Vessel Types and Sizes

Vessel Class	Geared/Gearless	Approximate Size
Capesize	Gearless	>120,000 Dwt

Panamax	Gearless	65-120,000 Dwt
Handymax	Geared	40-65,000 Dwt
Handysize	Geared	10-40,000 Dwt

Source: MSI

The global dry bulk carrier fleet is highly fragmented, with the largest beneficial owner holding less than 3 per cent. of the global fleet capacity. Geographically, beneficial ownership is concentrated in China, Greece, and Japan, which together account for around 20 per cent. of global fleet capacity.

Asyad owns/leases 18 dry bulk carriers, comprising of four Capesize vessels (all VLOCs of 400 k Dwt), one Panamax vessels (a 82 k Dwt 'Kamsarmax' type), eleven Handymax vessels (eight 'Ultramax' types of 63 k Dwt and three 'Supramax' types of 56 k Dwt) and one Handymax vessel of 34 k Dwt.

Dry Bulk Demand

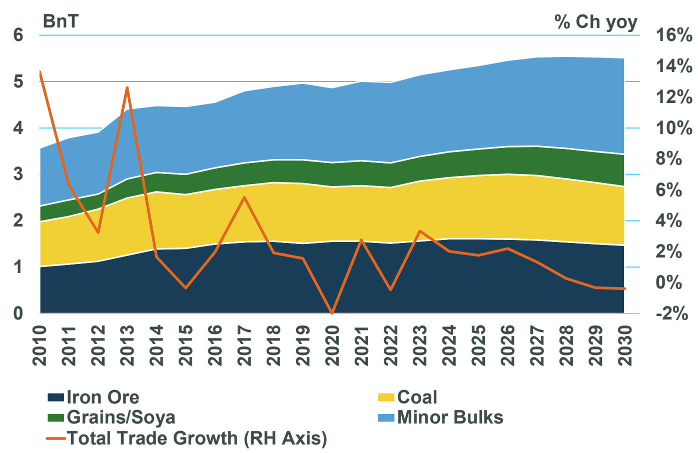
Dry bulk commodity demand can be split into two principal end uses: agricultural and industrial.

- Agricultural Trade: Mainly consists of various grains for human and animal subsistence, and fertilizers.
- Industrial Trade: Driven by the steel industry, commodities such as iron ore, coking coal, and scrap steel are major dry bulk commodities. Thermal coal is another major commodity traded by sea, and is mostly used in electric power generation. Commodities such as bauxite, minor metals, salt, cement and others are strongly dependent on trends in the consumer and industrial manufacturing sectors.

The trade of dry bulk commodities accelerated sharply in the early 2000s following China's accession to the WTO in 2001 and its integration in global supply chains. Specifically, trade growth increased from an average of 2.2 per cent. p.a. in the 1990s to 4.9 per cent. p.a. in the 2000s. Dry bulk trade expanded by an even stronger 7.4 per cent. p.a. in the 2010-2013 period due to surging Chinese commodity demand after the global financial crisis.

However, global trade's rising trajectory has not been without interruptions. A slowdown in the Chinese steel sector in 2015/16 led to a rare episode of negative trade growth in 2015; this was followed by further negative effects of the Covid-19 pandemic in 2020. With many of the secular forces driving the sharp increase in volumes in the 2000-2015 period now behind us, muted trade growth is expected to become a feature of the dry bulk market going forward.

Chart: Global Dry Bulk Cargo



Note:

2024 to 2030 are forecast projections

Source: MSI Q4 2024 Base Case

In MSI's view, several structural drivers will increasingly suppress dry bulk trade growth in the longer term.

Most important of these is an expected decline in China's iron ore imports. This will be driven primarily by a decline in steel use intensity as the rapid pace of urbanisation seen over the past two decades comes to an end. Further, coal demand is increasingly threatened as the world prioritizes renewable energy and reducing carbon emissions over cheap energy.

Nonetheless the effects of these negative structural trade changes on MSI's forecasts are offset by a more positive view for seaborne trade in other dry bulk commodities. For instance, MSI is positive about long-term growth in grains trade. MSI is also optimistic about potential growth in minor bulks trade. Supporting factors include: an increasing share of minor bulks accounted for by expanding Asian economies, and support for minor bulk goods related to the global energy transition. MSI anticipates minor bulk trade to grow by 2.4 per cent. p.a. between 2024 and 2030.

Overall, the increase in grain and minor bulk trades is expected to offset declines elsewhere, with total seaborne dry bulk trade projected by MSI to rise by an average of 1.0 per cent. p.a. through the end of the decade.

In total, GCC cargoes account for less than 5 per cent. of global dry bulk trade. Nonetheless, Oman has emerged as a significant hub for global iron ore trade since Brazilian iron ore miner Vale invested in a pellet production and iron ore distribution centre at the Port of Sohar in 2012 to process imported ore from Brazil, providing mainly regional consumers such as Qatar, Saudi Arabia, UAE, Egypt and India. Bahrain is another major importer of iron ore to service its own pellet processing capacity. Other than Brazil, iron ore destined for the region is also imported mainly from Scandinavia.

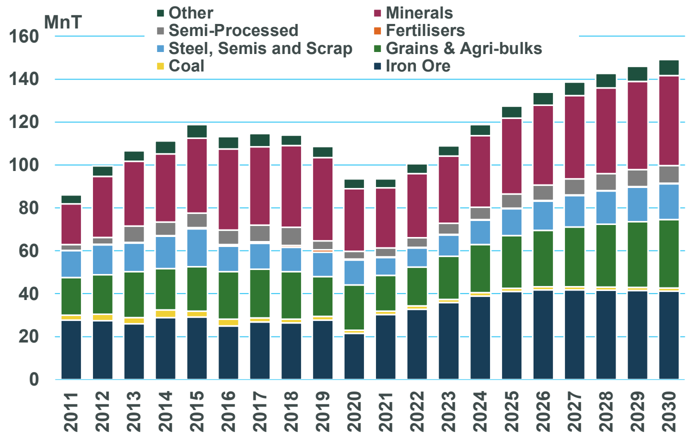
Grains & Agribulks are another significant commodity grouping for regional import demand. Historically this has been driven by barley imports by Saudi Arabia for feed use. Import volumes have been leveraged over the past decade, though, by increasing wheat and corn consumption in the GCC region as the population expands.

In terms of exports from the GCC, mineral trade accounts for 50 per cent., though around half of this trade is mainly on short haul regional routes. A key source of longer haul shipping demand is fertilisers, with the main destinations including India, Brazil, Australia and the USA.

The GCC will continue to see increasing dry bulk cargo volumes for both imports and exports based on a continuation of recent trends. In Oman, urban planning and development projects for existing cities such as Muscat, Sohar and Salalah, plus potential demand for new cities such as Sultan Haitham City and Al Jabal Al Akhdar will support trade in building and construction materials.

Trade from and to Oman will also be supported by near-term industrial initiatives related to decarbonisation, such as a green steel plant in Duqm by Jindal Steel Group (due to be completed in 2026), an associated plan to investment in solar and wind energy to support the production of green hydrogen, plans for a 'green aluminium' production facility by OAPIL, and a new development to product polysilicon at the Port of Sohar to support the production of solar energy by United Solar Holding. Incremental minerals trade is expected on the back of projects by MDO (such as in Dhofar), whilst fertiliser trade will be supported by an expansion to OMIFCO's fertiliser plant in the Sur Industrial estate and a new Ammonia and Urea plant in Salalah by OQ.

Chart: GCC Dry Bulk Imports

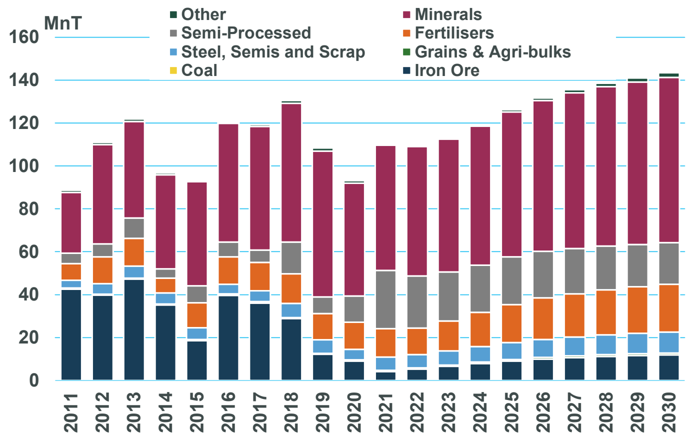


Note:

2024 to 2030 are forecast projections

Source: MSI Q4 2024 Base Case

Chart: GCC Dry Bulk Exports



Note:

2024 to 2030 are forecast projections

Source: MSI Q4 2024 Base Case

Dry Bulk Carrier Supply

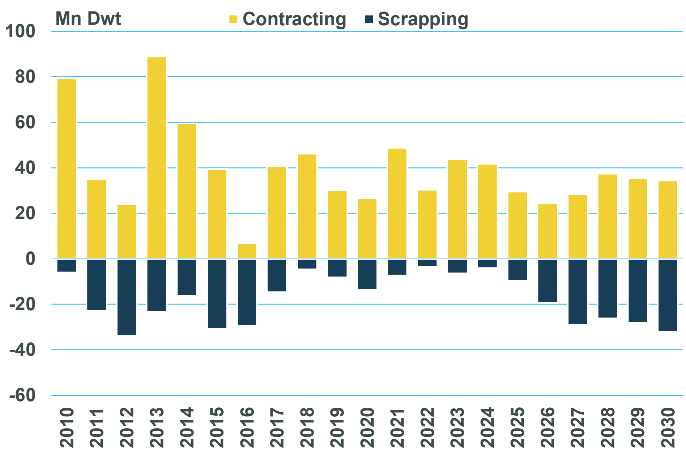
The supply of dry bulk carriers is influenced by the cargo capacity of the existing fleet, newbuildings, and ship demolitions. Contracting (or the ordering of new ships) and scrapping volumes are affected by market conditions and fleet renewal needs. Typically, high earnings environments see increased contracting and reduced scrapping, and vice versa.

The period 2000-2010 was characterised by strong fleet growth following China’s accession to WTO. Contracting peaked during the 2005-09 freight earnings boom, leading to a large orderbook which contributed to further rapid fleet growth in the early 2010s. With a more subdued earnings environment from the mid-2010s, contracting and fleet growth also slowed.

More recently, in the 2020-2024 period, contracting volumes have fluctuated due to market conditions (supportive) and technological uncertainties related to future fuel standards (restrictive). Scrapping volumes have remained very low due to a relatively small proportion of the fleet reaching economic life expectancy and a strong freight market.

Looking ahead, MSI expects to see an increase in scrapping due to anticipated weaker market balances and the high relative cost for old ships to meet environmental regulations in the coming years. Fleet growth is projected to average -1.0 per cent. p.a. through the rest of this decade, with rising demolition levels and modest newbuild contracting.

Chart: +10 k Dwt Dry Bulk Contracting and Scrapping

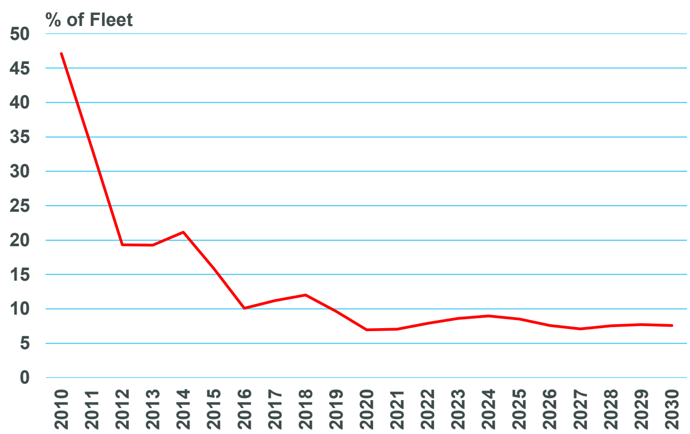


Note:

2024 to 2030 are forecast projections

Source: MSI Q4 2024 Base Case

Chart: +10 k Dwt Dry Bulk Fleet Orderbook as per cent. of Fleet



Note:

2024 to 2030 are forecast projections

Source: MSI Q4 2024 Base Case

Table: Bulker Fleet Age Profile and Orderbook by Segment (Mn Dwt)

	0-4 Yrs	5-9 Yrs	10-14 Yrs	15-19 Yrs	20-24 Yrs	25+ Yrs	Orderbook
10-39.9 k Dwt..................	10.4	20.3	40.6	14.6	7.1	11.5	3.4
40-64.9 k Dwt..................	48.4	52.6	86.7	33.2	17.9	11.0	28.3
65-119.9 k Dwt................	53.2	48.3	107.4	35.8	23.7	12.5	34.6
120+ k Dwt......................	71.3	83.4	155.9	58.1	16.2	0.8	28.8

Source: MSI Q4 2024 Base Case (Data as of 30 November 2024)

Market Fundamentals and Earnings

One notable trend in dry bulk carrier market balances since the Covid-19 pandemic has been the outsized impact of fleet efficiencies, specifically supply chain disruptions and port delays. For example, while dry bulk seaborne trade grew by 2.8 per cent. in 2021, dry bulk deadweight demand (taking into account the effects of trading efficiency factors such as distances, ship speeds, port congestion alongside trade volumes) rose by 7.3 per cent. (to almost 760 Mn Dwt). This boosted the dry bulk fleet utilisation rate, which reached 92 per cent. in 2021, its highest level since 2011. As these inefficiencies began to unwind in 2022, fleet utilisation levels also declined, averaging 87 per cent. for 2022 with a consequent negative impact on freight rates.

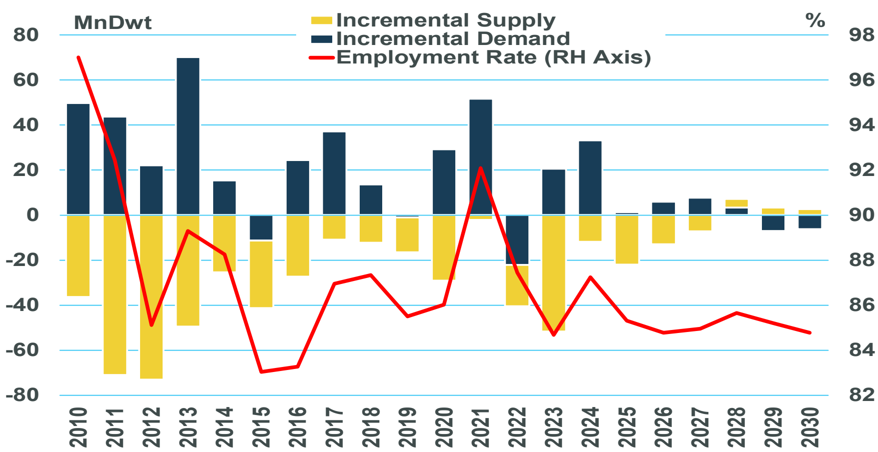
Since 2023, fleet inefficiencies have climbed again. First, the Russian invasion of Ukraine led to a reorientation of trade flows (especially coal), leading to increased sailing distances. Second, significant disruption at the Panama Canal and Suez Canal have led to widespread diversions of vessels on longer sailing routes. As a result, dry bulk fleet employment has been supported again, but is expected to come under pressure once these inefficiency factors start to unwind.

Earnings in the dry bulk sector are very volatile. With some key factors expected to undermine shipping growth in dry bulk shipping demand (slowing Chinese requirements, increasing fleet efficiencies), and others presenting some notable upside risk (potential for government-led investment stimulus programs), MSI's five-year outlook for time charter rates is quite evenly balanced. Earnings are not expected to fall to the lows of the mid-2010s, although lower vessel utilisation rates will continue to pressure the near-term potential of the dry bulk market compared to recent history.

Chart: +10 k Dwt Dry Bulk Supply, Demand and Employment Rate*

2028 marks an inflection point in MSI's dry bulk employment rate forecast as demand falls, linked to longer term declines in ore and coal trade more than offsetting growing grains and minor bulks.

The negative impact of this on the fleet employment rate is softened by increased scrapping as the fleet ages and more stringent environmental regulations reduce the profitability of older, less fuel efficient ships.



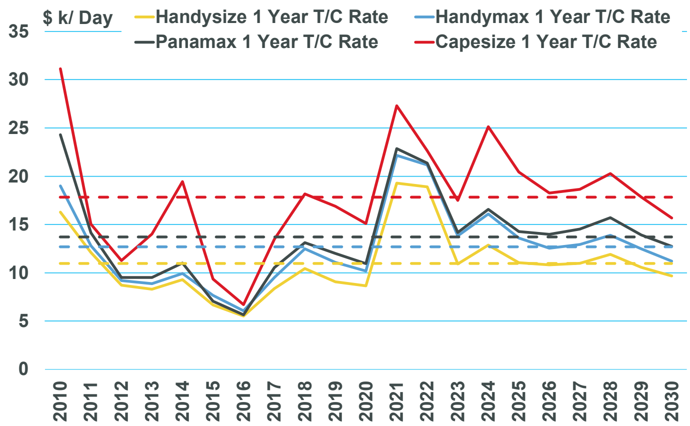
Notes:

(1) *Changes to fleet are inverted to show impact on employment rate relative to demand

(2) 2024 to 2030 are forecast projections

Source: MSI Q4 2024 Base Case

Chart: Dry Bulk 1 Year Time Charter Rates



Notes:

(1) Dashed Lines Denote Averages over Period 2010-2030

(2) 2024 to 2030 are forecast projections

Source: MSI Q4 2024 Base Case, Various brokers

LNG Carriers

Market Overview and Introduction

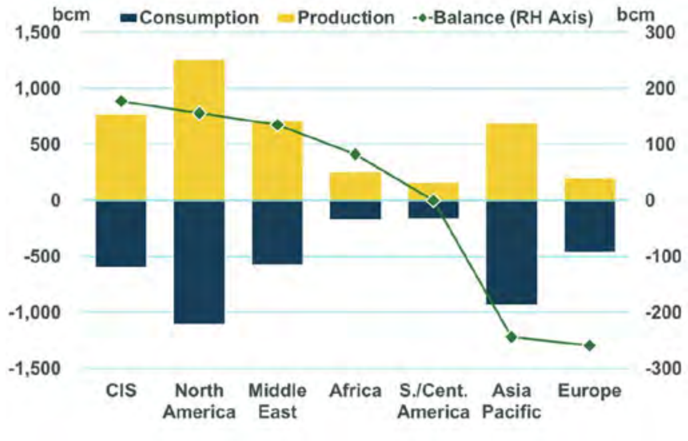
Natural gas is an important energy source, accounting for just under a quarter of global energy consumption. It is traditionally used as an energy source for heating, cooking and electricity generation. As an abundant and relatively clean burning fuel, natural gas has become an increasingly important part of the energy mix as countries strive to meet stricter emission targets.

Natural gas is either transported in a gaseous state through pipelines or liquefied and transported in specialised transportation equipment by road, rail or sea. The liquefaction process involves cooling natural gas to -162°C. The dislocation between centres of supply and demand of natural gas supports seaborne LNG trade as pipelines are generally considered uneconomic over distances greater than 3,500 kilometres. LNG is transported by sea in highly specialised LNG carriers. In 2023, total LNG shipments amounted to 402 MnT, accounting for 13.7 per cent. of global natural gas consumption in the same year.

Similar to other fossil fuels, demand for natural gas is closely related to economic activity indicators such as GDP, but it has also enjoyed a growing share of the overall energy market due to it being cleaner than other fossil fuels, which has seen oil and particularly coal being substituted for gas. Between 2013 and 2023, natural gas consumption grew at an average rate of 1.7 per cent. p.a.

Asyad own/lease a fleet of eight LNG carriers, two of which are under construction and due for delivery in 2026 with X-DF engines. Five of the existing vessels were built between 2005 and 2008 and have Steam Turbine propulsion, the remaining vessel was built in 2014 and has TFDE propulsion. The Company also co-owns one VLGC and leases one MGC, which operate as part of its Gas Shipping fleet.

Chart: Global Natural Gas Production and Consumption by Region 2023



Source: MSI, Energy Institute Statistical Review of World Energy 2024

LNG Demand

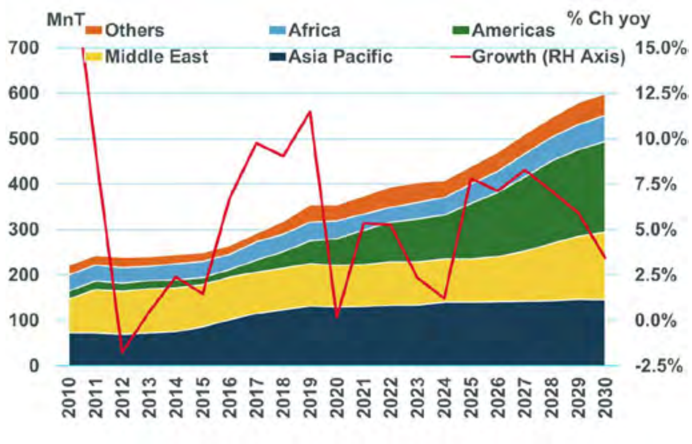
As a result of robust growth in natural gas consumption and declines in domestic production in some key markets, seaborne trade in LNG has increased dramatically in recent years. Between 2013 and 2023, volumes increased from 240 MnT to 402 MnT, equivalent to 5.3 per cent. p.a. LNG trade growth slowed in 2023 and has remained low by historic standards in 2024 due to a lack of new LNG liquefaction capacity coming on stream. MSI anticipates trade growth to increase to an average of 6.2 per cent. p.a. between 2024 and 2030.

Historically, Europe was the first LNG importing region, but Northeast Asia quickly came to dominate LNG imports. In Asia, the epicentre of demand growth has moved to China, and away from Japan. China is one of the fastest-growing gas markets as it turns to cleaner-burning gas to help reduce pollution and emissions within major urban centres. China overtook Japan to become the world's largest importer of LNG in 2021 when they imported 80 MnT. However, Chinese LNG import demand declined by 20 per cent. in 2022 due to high gas prices, reduced demand in light of zero-Covid policies and increased domestic production and pipeline imports. Looking ahead, MSI anticipates that China's demand growth for LNG is expected to be positive for the next decade, with the annual imports set to exceed 100 MnT by 2027.

In Europe, prior to the outbreak of the Russia-Ukraine conflict, growth in seaborne LNG trade was halted by demand disruption in 2020. After peaking at 87.3 MnT in 2019, imports into Europe and the Mediterranean fell to 77.5 MnT in 2021. This downward trend was reversed in 2022 following the outbreak of hostilities and subsequent geopolitical fallout, with imports growing 59 per cent. to 123 MnT.

While European gas demand is declining, domestic production is falling faster. This requires more gas imports by pipeline or by LNG tanker. Russian pipeline gas exports provided 30 per cent. of European supply in 2021 and Russian LNG a further 3 per cent. Russian pipeline exports to Europe fell sharply in 2022. This resulted in European countries scrambling for LNG imports to replace Russian pipeline gas supply. European markets absorbed all new LNG supply in 2022, but this was not enough to satisfy demand and Europe took LNG that was previously expected to go to other markets. Mild winters in 2023 and 2024 saw European imports decline from the 2022 peak, but looking ahead, MSI anticipates that European import levels will return to growth, as more LNG supply becomes available.

Chart: LNG Imports by Region



Note:

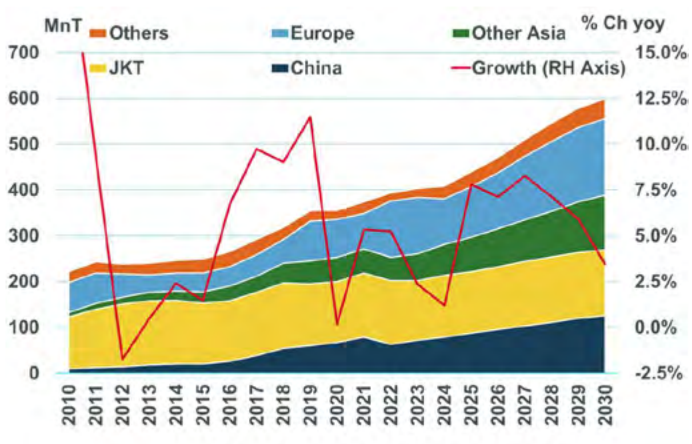
2024 to 2030 are forecast projections

Source: MSI Q4 2024 Base Case

Historically, the Middle East, SE Asia and Africa were the main exporting regions where LNG was produced. More recently Australia and then the United States have rapidly grown their LNG capacity and seaborne export volumes. Prior to the outbreak of hostilities between Russia and Ukraine, the rise of exports from the United States increased tonne-mile demand in relation to trade, and it also increased volatility in shipping demand as exports switch between going to Asia or Europe. This was demonstrated in 2022, when the increase in demand for LNG in Europe saw US exports switching away from Asia to Europe, reducing tonne-mile demand relative to trade. In 2023-24 this pattern was reversed as European demand weakened relative to the Far East, and the Red Sea diversions lengthened sailing distances.

GCC countries accounted for only 1.7 per cent. (6.9 MnT) of global LNG imports in 2023 but made up 23.4 per cent. (94.6 MnT) of global exports. Qatar was the third largest exporter in 2023 and has been the largest exporter globally in 15 out of the last 18 years. With 11.4 MnT of exports in 2023, Oman was the ninth largest LNG exporter. The only other GCC LNG exporter is the UAE which has been exporting LNG since 1977.

Chart: LNG Exports by Region



Note:

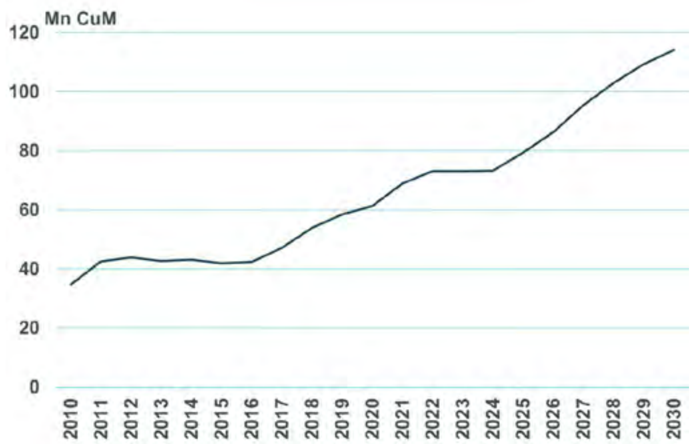
2024 to 2030 are forecast projections

Source: MSI Q4 2024 Base Case

Oman has an LNG export complex near Sur consisting of three trains. A recent debottlenecking project has lifted capacity across the three trains from 10.4 MnTpa to around 11.4 MnTpa. In July 2024 the Omani government announced the intention to build a fourth train at the complex near Sur lifting total capacity to 15.2 MnTpa from as early as 2029.

Qatar is adding six 8.0 MnTpa trains at Ras Laffan in their North Field Expansion project and the UAE is constructing two 4.8 MnTpa at Ruwais which, together with a fourth train in Oman this will increase GCC LNG export capacity from a current 94.3 MnTpa to 172.7 MnTpa in the early 2030s.

Chart: LNG Shipping Demand



Note:

2024 to 2030 are forecast projections

Source: MSI Q4 2024 Base Case

LNG Carrier Supply

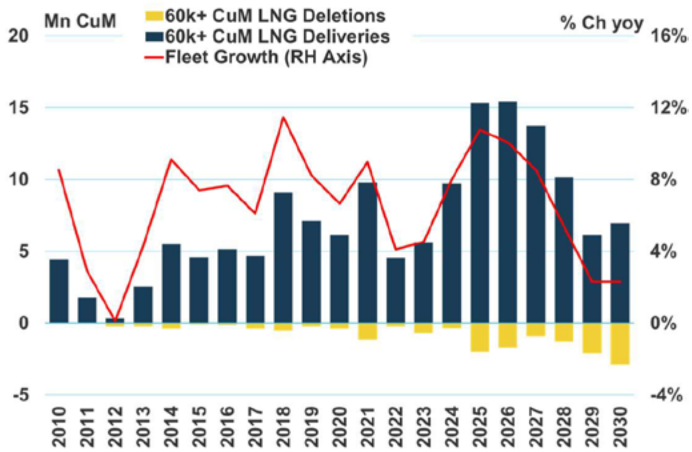
The evolution of propulsion and containment systems of LNG carriers over the last two decades has resulted in a tiered market. LNG ships held on to steam engines far longer than other shipping sectors due to the ease of utilising boil-off gas from the cargo as fuel. More efficient dual- and tri-fuel diesel electric ("**DFDE/TFDE**") began to enter the fleet in the mid-2000s. These were superseded in the mid-2010s by yet more efficient Gas Injection ("**GI**") engines, such as the ME-GI, X-DF and most recently ME-GA. The gains in fuel efficiency allowed more efficient containment systems to be developed that lost less boil-off gas. The new engine designs also took up less space allowing more room for cargo tanks.

Consequently, modern GI ships significantly out compete the older generations, many of which are still less than 10 years old. The newer GI vessels are able to secure the highest earnings, followed by the DFDE/TFDE vessels, with steam turbine ("**ST**") vessels typically securing the lowest returns.

LNG carriers typically have a longer vessel life than in most other sectors with ships seldom scrapped before they are 30 years old and some carrying on past 40 years old. At the same time the LNG fleet is relatively young with a current average vessel age of 11.7 years. Scrapping has not typically played a significant role in supply-side market dynamics in the past.

Contracting of newbuild LNG carriers has accelerated markedly since April 2021. 2022 set an all-time historical record for the number of large new LNG ships ordered. Contracting levels slowed to 11.3 Mn CuM in 2023 but picked up again in 2024 with another 14.9 Mn CuM ordered by 10 September 2024.

Chart: +60 k CuM LNG Carrier Fleet Deliveries and Deletions



Note:

2024 to 2030 are forecast projections

Source: MSI Q4 2024 Base Case

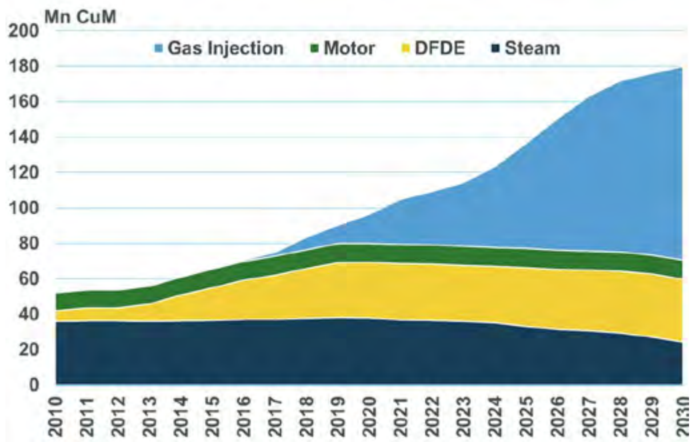
Table: LNG Fleet Age Profile and Orderbook by Segment (Mn CuM)

	0-4 Yrs	5-9 Yrs	10-14 Yrs	15-19 Yrs	20-29 Yrs	30+ Yrs	Orderbook
Steam..............................	0.9	3.1	3.5	15.9	9.6	2.7	0.0
DFDE	3.8	18.2	7.9	1.9	0.0	0.0	3.8
Motor..............................	0.0	0.7	4.7	5.3	0.0	0.0	0.0
Gas Injection	37.6	7.0	0.0	0.0	0.0	0.0	58.6

Source: MSI Q4 2024 Base Case (Data as of 30 November 2024)

Delivery levels have lagged far behind orders since 2021 with just 4.6 Mn CuM entering the fleet in 2022 and 5.6 Mn CuM in 2023, compared to the record 9.8 Mn CuM that entered the fleet in 2021. The rapid increase in orders at the same time as a slowdown in deliveries has resulted in the orderbook growing rapidly, increasing from 26.5 Mn CuM vessels at the end of 2021 to 64.8 Mn CuM on 10 September 2024. Expressed as a percentage of the capacity of the current fleet, the 357 vessel orderbook stood at 54.2 per cent. on 10 September 2024, compared to 25.8 per cent. at the end of 2021.

Chart: +60 k CuM LNG Carrier Fleet Development by Propulsion Type



Note:

2024 to 2030 are forecast projections

Source: MSI Q4 2024 Base Case

Looking ahead, MSI anticipates that contracting boom since April 2021 will leave less room for new orders over the medium-term. This will be accompanied by an unprecedented number of LNG carriers being delivered over the next five years, particularly in the period between 2024 and 2027.

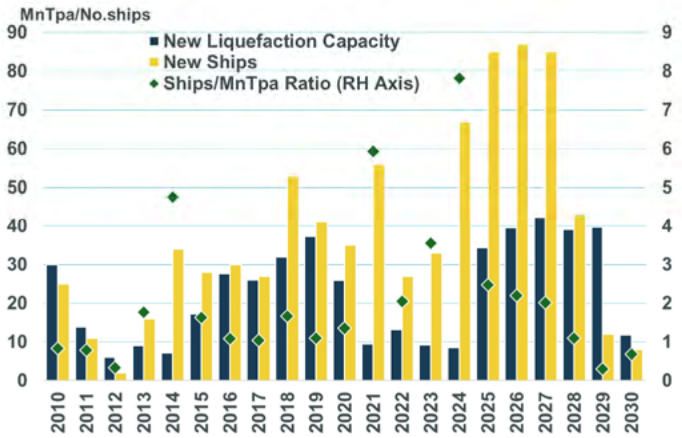
Overall, MSI expects the LNG carrier fleet to grow by an average of 6.7 per cent. per annum between 2023 and 2030. Which is slightly higher than the average 6.2 per cent. per annum growth rate between 2010 and 2023.

Market Fundamentals and Earnings

The interaction between supply and demand fundamentals drives the long-term earnings potential of LNG carriers, although other factors can be influential in the short-term. The key driver for LNG shipping on the supply side is the number of new deliveries to the fleet with scrapping only playing a limited role compared to other shipping sectors. On the demand side the amount of new liquefaction capacity being built is the key fundamental factor driving demand, with performance at existing liquefaction plants and trade patterns being important supporting factors.

In total 210.6 MnTpa of liquefaction capacity is currently under construction whilst the orderbook for LNG ships stands at 343 vessels. A rule of thumb is that one ship is needed to transport 1 MnTpa of US Gulf production to Europe, but two ships are required to move the same amount to NE Asia (via the Panama Canal). Compared to the amount of new liquefaction capacity expected on-stream in 2024 a lot of vessels are scheduled to be delivered. The ratio improves for 2025 (but is still high by historical standards) with both lots of new ships and new trains. This pattern is repeated in 2026 and 2027 and it is only from 2028 that MSI sees liquefaction capacity grow significantly faster than the fleet.

Chart: New LNG Production Capacity Additions v Ship Deliveries*



Note:

* Includes only existing and under construction (post-FID) liquefaction projects and historic and scheduled delivery of ships from the current orderbook (30 November 2024).

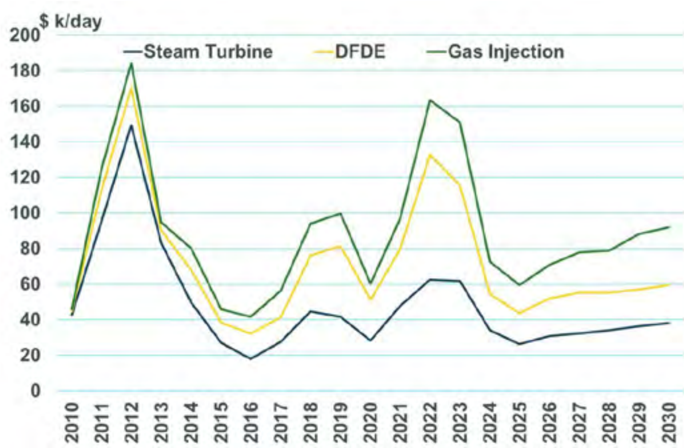
2024 to 2030 are forecast projections

Source: MSI Q4 2024 Base Case

Fleet growth has begun to pick up strongly in 2024 and will accelerate further in 2025 and remain strong until at least 2027. A new wave of LNG production capacity will also begin to come on-stream mid-decade, but it will arrive later than the new ships entering the market. Consequently, the balance between demand and supply will deteriorate mid-decade and charter rates will fall to a nadir, comparable to pre-pandemic levels by 2025. Thereafter, MSI anticipates that employment rates and, therefore, achievable charter rates will begin to recover incrementally through to the end of the decade as new LNG production comes on-stream and the rate of fleet growth slows.

Modern Gas Injection ships will be better placed to increase earnings in the future compared to older less efficient ships which will increasingly be impacted by tightening emissions regulations.

Chart: LNG Carrier 1-Year Time Charter Rates



Note:

2024 to 2030 are forecast projections

Source: MSI Q4 2024 Base Case

Containerships and Liner Market

Market Overview and Introduction

Container shipping was first introduced in the 1950s and since the late 1960s has become the most common method for transporting many consumer and industrial products by sea. Container shipping is performed by container shipping companies, so-called 'liner' companies, who operate frequent scheduled services, similar to a passenger airline. These services follow a pre-determined sequence of port calls, using a number of owned or chartered vessels of a particular size in each service to achieve an appropriate frequency and utilisation level.

At any given point in time, containerships will be transporting containers on behalf of numerous, potentially hundreds, of different end-cargo owners. Individual liner operators are differentiated in terms of their scale, regional focus and business model. Asyad Line is active as a liner operator predominantly in the Middle East/Indian Subcontinent region, and its containership fleet currently consists of five vessels. On occasion Asyad will charter vessels to other liner operators in return for a daily timecharter hire rate.

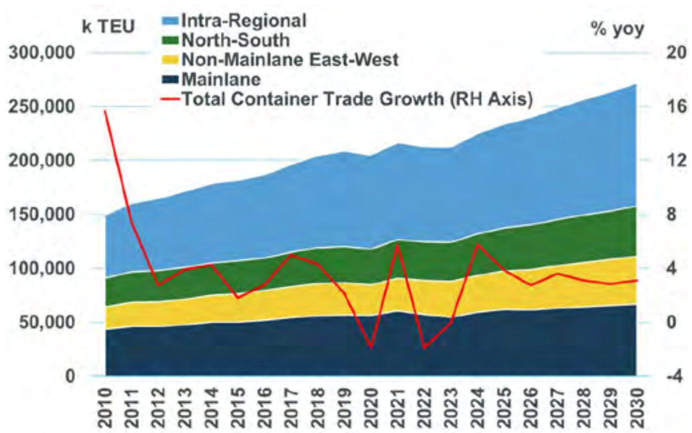
Containership Demand

The containerized supply chain extends throughout the world. Traditionally, global container trade has been separated into four different trade groupings; the mainlanes, the non-mainlane East-West trades, North-South trades and intra-regional. While the mainlane trades (connecting Asia with Europe and North America, and Europe with North America) generally use the largest vessels, In 2023, 74 per cent. of global containerized volumes were on the non-mainlane trades, with intra-regional trades representing almost 40 per cent. These non-mainlane and intra-regional trades are predominantly served by mid-sized and smaller containerships (10 k TEU, or smaller).

Growth in containerized trade is linked to demand for manufactured goods and thereby to regional economic growth. Global containerized cargo volumes have grown every year since the industry's inception in 1956, with four exceptions: 2009, during the Global Financial Crisis, 2020, due to the initial impact of Covid-19, 2022, due to the geo-political tensions and macro-economic headwinds caused in part by the ongoing conflict between Russia and Ukraine, and 2023, due to the normalisation of spending patterns post-pandemic.

Over 2025-30, MSI forecasts average growth in global container trade of 3.2 per cent. p.a. Growth is forecasted to slow in 2025 following an above-average expansion in 2024. In general, world container trade is expected to expand in line with growth in the global economy, with a higher pace of container trade growth seen in emerging market regions. The main risks to the outlook are tied to the possibility of a global economic downturn or recession, as well as increased barriers to trade from protectionism and tariffs.

Chart: Global Container Trade



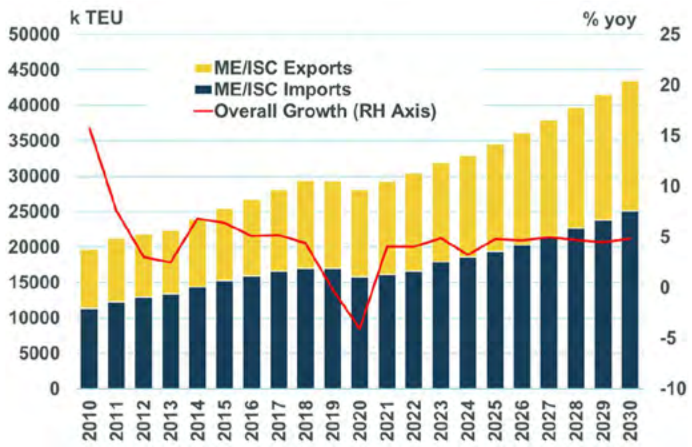
Note:

2024 to 2030 are forecast projections

Source: MSI Q4 2024 Base Case

It is common practice to aggregate container trade data at a regional level, and then to classify tradelanes on a region-to-region or intra-regional basis. One such region is the Middle East/Indian Subcontinent ("**ME/ISC**"), which comprises Middle East countries 'east' of Suez (GCC, Iraq, Iran, Yemen, Jordan) alongside South Asia (India, Pakistan, Bangladesh, Sri Lanka, Maldives). Total bilateral container trade volumes involving the ME/ISC region amounted to an estimated 14.3 per cent. of global container trade in 2023, compared to a share of 11.4 per cent. in 2010.

Chart: Middle East/Subcontinent Bilateral Container Trade



Note:

2024 to 2030 are forecast projections

Source: MSI Q4 2024 Base Case, Container Trades Statistics

GCC ports, including those of Oman, are located at an advantageous position along major East-West shipping lanes. In addition to facilitating the import and export of containerized goods from GCC countries and their neighbours, regional ports also play important roles in liner networks. The use of ever-larger vessels on long-haul trade routes, which only select ports can accommodate, has led to reliance on transshipment and 'hub-and-spoke' practices. The port of Salalah in Oman plays such a role, and between 90-95 per cent. of the port's throughput typically consists of transshipment. This transshipment activity is an important source of demand for liner operators in the GCC and wider Middle East/Subcontinent region.

Over 2025-2030, MSI expects overall ME/ISC container trade growth to average 4.7 per cent. p.a., driven by a combination of underlying economic expansion, growth in regional supply chains following manufacturing re-location, and the expansion of logistics services and infrastructure in GCC economies. Weaker economic growth, trade conflict with major trading partners, and regional geopolitical conflict pose downside risks to trade in the GCC region.

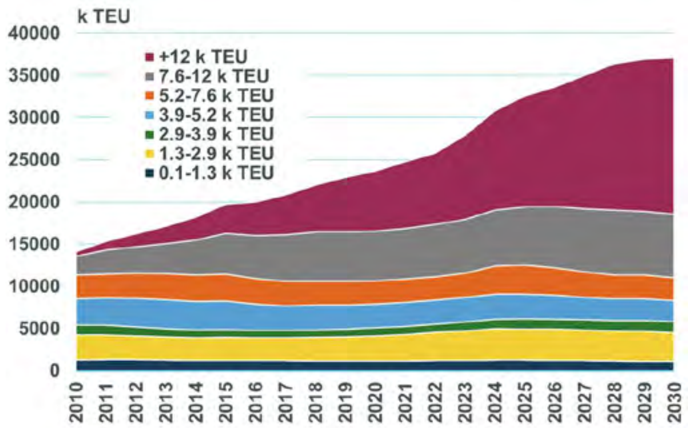
Containership Supply

Containerships range in size from under 500 TEU to over 24 k TEU. As of 30 November 2024, 6,264 containerships with a nominal capacity totalling 30.6 Mn TEU were on the water. A further 8.4 Mn TEU were on order, for delivery through 2030. As a result of an increased industry preference for ordering larger vessels over the last 15 years, the age profile of containership fleet segments is differentiated. On average, vessels in the smaller size segments of the containership fleet are significantly older than those in the larger size segments.

The period since 2020 has seen a sustained high volume of newbuild contracting of containerships. The high volume of ordering seen since 2020 will translate to elevated volumes of newbuild containership deliveries over 2024-28. Increases in vessel supply through newbuild deliveries can be offset via several different mechanisms. Vessels at the end of their economic life (generally around 25 years, or earlier in weak markets) can be sold to specialized shipbreakers for ship recycling (or 'scrapping'). As a result of strong markets, capacity removals via scrapping have been limited since 2020. Compared to an *annual average* volume of 0.29 Mn TEU of demolitions in 2010-20, total *cumulative* scrapping over 2021-23 was just 0.17 Mn TEU. Vessel scrapping is forecasted to increase to an annual average pace of 0.9 Mn TEU over 2025-30, due to growth in the size of the +20 Yr old fleet, deferred scrapping from 2020-24, expected weaker markets, and the impact of environmental regulations on older and less fuel-efficient vessels

Overall, the containership fleet is expected to expand by 10.5 per cent. in 2024 and 5.6 per cent. in 2025, following growth of 8.3 per cent. in 2023. The pace of fleet growth is expected to slow in later years, to an average pace of 2.6 per cent. over 2026-30, although this is contingent on a significant increase in fleet removals via scrapping.

Chart: +0.1 k TEU Containership Fleet Development by Size Band



Note:

2024 to 2030 are forecast projections

Source: MSI Q4 2024 Base Case

Table: Containership Fleet Age Profile and Orderbook by Segment (k TEU)

	0-4 Yrs	5-9 Yrs	10-14 Yrs	15-19 Yrs	20-24 Yrs	25+ Yrs	Orderbook
0.1-1.3 k TEU..................	150.6	121.5	154.9	438.2	170.1	227.4	85.9
1.3-2.9 k TEU..................	1,042.3	535.9	327.5	1,007.1	520.1	318.4	113.5
2.9-3.9 k TEU..................	309.7	117.6	227.9	306.1	105.4	82.8	81.1
3.9-5.2 k TEU..................	110.2	45.6	883.6	1,388.4	420.1	93.1	86.5
5.2-7.6 k TEU..................	632.1	49.4	599.8	1,008.6	922.1	119.3	177.4
7.6-12 k TEU...................	688.8	1,503.0	2,109.7	1,879.5	299.6	110.6	1,815.4
+12 k TEU.......................	4,975.8	3,786.6	2,561.4	225.9	—	—	6,028.0

Source: MSI Q4 2024 Base Case (Data as of 30 November 2024)

The ownership and operation of containerships has undergone major changes in recent decades. At a global level, the ten largest liner operators have increased their share of the global fleet from 66 per cent. in 2014 to 86 per cent. as of 30 November 2024. Ownership of containerships is highly concentrated relative to other major shipping sectors. Three GCC-based owners feature in the list of top 100 containership owners. In terms of regional liner operators, the largest liner operators in the GCC and wider ME/ISC region remain global liner companies, in particular MSC and Maersk. Among regional and more specialist operators, key players include Asyad Line, Global Feeder Shipping, UniFeeder, X-Press Feeders, Emirates Shipping Line, Safeen Feeders, and Qatar Navigation (Milaha).

Market Fundamentals and Earnings

Recent years have seen major swings in both the level of demand-supply balance in the industry, as well as both freight and timecharter rate levels. While the container shipping industry was hit hard by the initial side-effects of the Covid-19 pandemic in the first half of 2020, following generally weak markets in the decade 2010-19, this was followed by a strong rebound in container trade as consumer spending patterns changed and governments disbursed stimulus. In combination with a loss of effective vessel sailing capacity due to congestion within and inside ports, this rebound in trade led to a significant tightening in industry demand-supply market balances, in turn driving a significant increase in global freight and timecharter rates.

After reaching all-time highs in H1 2022, containership markets weakened over the course of H2 2022 and 2023, as a reduction in port congestion released effective supply into the market, global container trade recorded successive years of contraction, and as fleet growth accelerated. A combination of healthy container trade growth, and the disruptions and longer sailing distances resulting from Suez Canal diversions, caused containership freight and timecharter rates to increase over the course of H1 2024. Markets strengthened in H1 2024 despite the overall containership fleet averaging growth of 10.1 per cent. year-on-year over the first eleven months of 2024. Containership freight markets weakened over Q3 2024 and the start of Q4 2024, but as of 30 November 2024 stood far higher than longer-term averages. In contrast, timecharter rates did not weaken over this timeframe.

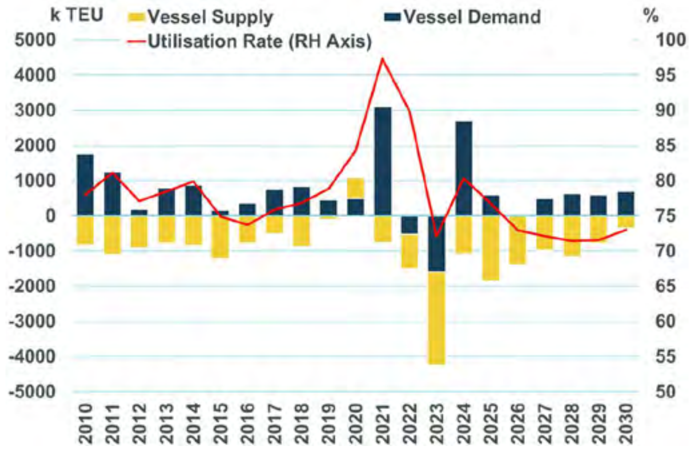
In the period to 2030, the outlook for containership market balances, will be determined by the interplay of growth in container trade volumes, growth in the size of the fleet, and changes to fleet 'efficiencies'. In the near-term, moderate trade growth and ongoing fleet 'inefficiencies' tied to the Red Sea diversions are forecasted to be supportive of demand-supply balance. However, an elevated pace of fleet growth is expected to place growing strain on market balances. Container market balances are expected to trough in 2028, with improvement thereafter driven by a slower pace of fleet growth. Market balances weaken again in 2028-29 due to a renewed increase in newbuild deliveries.

For liner operators in the GCC, market risks stem from regional geopolitical conflict, capacity additions on regional tradelanes, the market share strategies of global liner operators in local markets, and port call and transshipment patterns. Increased relocation of manufacturing away from China could present an upside source of risk. For Oman, the development of overland logistics connections to the wider GCC could boost container port handling at Omani ports, while any disruption to maritime traffic though the Straits of Hormuz could see volumes diverted to Omani ports.

Chart: Containership Market Fundamentals*

Vessel demand as shown in this chart is a function of both overall container trade volumes, and also the 'efficiency' characteristics of each bilateral trade (sailing distances, average sailing speeds, time in port).

The contraction in vessel demand in 2022 and 2023 reflected a combination of slightly negative container trade growth, and the unwinding of port congestion (which boosted vessel demand in 2021).



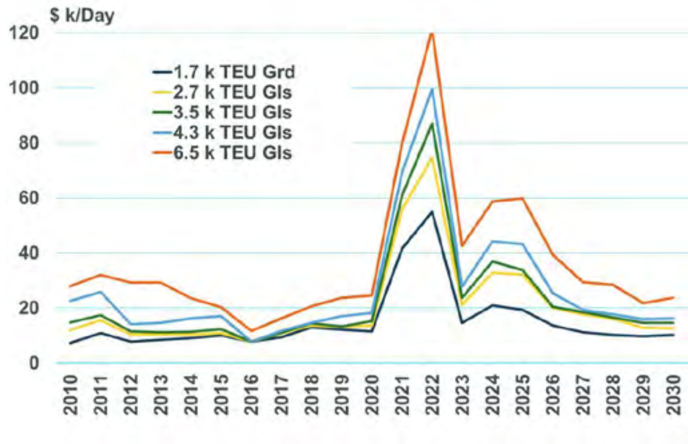
Notes:

(1) *Changes to fleet are inverted to show impact on utilisation rate relative to demand

(2) 2024 to 2030 are forecast projections

Source: MSI Q4 2024 Base Case

Chart: Eco Containership 1-Year Timecharter Rates



Note:

2024 to 2030 are forecast projections

Source: MSI Q4 2024 Base Case, Various brokers

Shipbuilding

Market Overview and Introduction

Shipbuilding is an upstream industry that supplies new ships to the maritime system. It is a complex process requiring huge capital expenditure and high technical expertise. It consists of a large and diversified group of shipyards. At the start of August 2024, over 250 shipyards in over 30 countries were actively constructing new commercial, ocean-going vessels 5+ k GT in size. Some shipyards are privately owned individual enterprises, while others form part of larger private or publicly listed companies that operate multiple shipyards.

Each shipyard is, to a large extent, capable of building multiple types of vessels. In reality, most shipyards specialize in a few specific ship types to consolidate and optimize the building process and technical expertise.

Depending on vessel type and size, and the size/length of the orderbook held by the shipbuilder, it usually takes 6-36 months of elapsed time from the signing of a newbuilding contract until the vessel is delivered. On average, it takes 9-18 months to build a conventional vessel, such as a tanker or containership, and 18-36 months to construct more specialized vessels, such as LNG carriers and offshore units.

In the shipbuilding industry, the supply and demand of new vessels is commonly measured by three primary metrics:

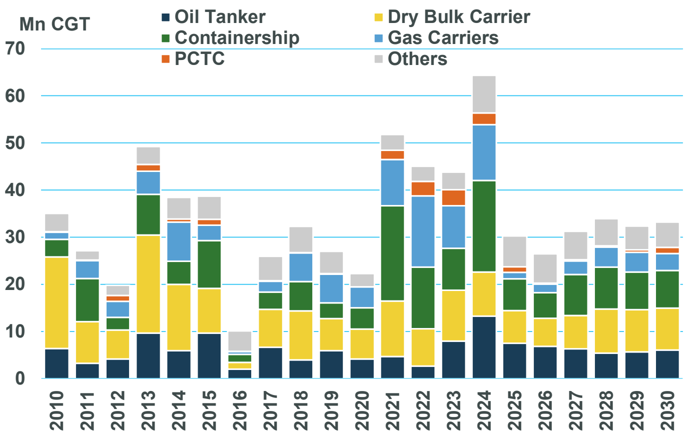
(1) Contracting: The volume of orders placed for constructing and delivering newbuilding vessels.

(2) Shipbuilding Output: The volume of new vessels delivered into the fleet.

(3) Orderbook: The total number or volume of vessels currently under construction and yet to be delivered by the shipyard into the fleet.

This section measures all three of these metrics in terms of Compensated Gross Tons ("**CGT**"). This measure provides a more accurate measure of macroeconomic shipbuilding workload than could be achieved by measuring gross tonnage ("**GT**") or deadweight.

Chart: Global Newbuild Contracts by Ship Type



Note:

2024 to 2030 are forecast projections

Source: MSI Q4 2024 Base Case

Shipbuilding Cycles

Shipbuilding is one of many key factors driving cycles in the wider shipping markets. Typically, the initial catalyst for a shipbuilding cycle is a sustained improvement in a shipping sector's supply and demand balances, increasing ship earnings. A strong positive correlation exists between the cash flow generated by vessels on the water and the shipowner's propensity to order new vessels.

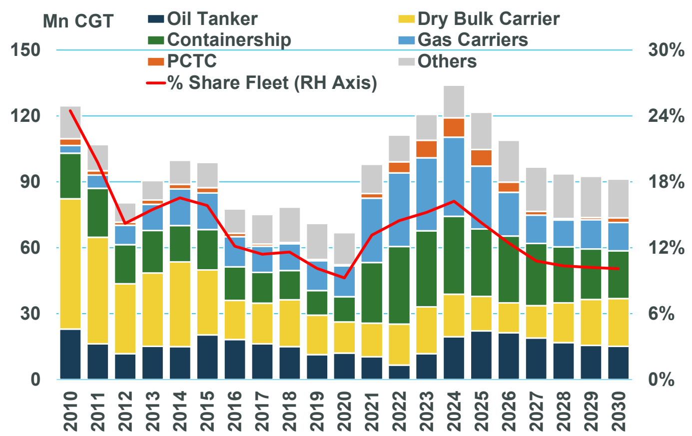
However, the delay between ordering a newbuild vessel and its delivery and the long service life of most ship types mean that the current earnings environment only partially influences newbuild contracting levels at any given time. Another major influence is the prevailing secondhand price of vessels already on the water. During periods of robust earnings, shipowners want ships immediately. Therefore, when freight rates initially rise, they turn to the secondhand market, bidding up secondhand prices. When secondhand prices increase towards or above newbuilding contract prices, newbuild vessels increasingly become more attractive economically.

Because of this delay between ordering a newbuild vessel and its delivery, another important factor influencing the demand for new ships is market expectations. Another important driver is the need to replace existing tonnage. Ship owners can opt to replace existing, older vessels by purchasing more modern vessels on the secondhand market or ordering newbuild replacement tonnage.

One final factor impacting the demand for new vessels is the financial environment. Specifically, the availability of credit. Easy access to credit allows owners to leverage their internally generated revenue and broadens the market to include many shipowners without large capital reserves. Government support can also prove pivotal.

The initial phase of the shipbuilding cycle usually supports rising newbuilding contract prices and an increase in effective global shipyard capacity by extending existing facilities or attracting new market participants. Once the peak phase of the shipbuilding cycle has passed, capacity contraction is driven by a reduction of new orders, typically as vessels ordered during the expansion and peak phases of the cycle are delivered and enter the markets and/or as demand requirements enter a new cyclical phase.

Chart: Global End of Year Orderbook Development by Ship Type/Class



Note:

2024 to 2030 are forecast projections

Source: MSI Q4 2024 Base Case

Aggregate newbuilding contracting in 2024 has been spectacular. Another bout of containership ordering and a surge in tanker activity have led MSI to upgrade its forecast for this year to 64 Mn CGT, the second highest level in history, surpassed only in 2007 (83 Mn CGT).

That only a handful of sectors have driven the current cyclical upturn in the shipbuilding industry may set the stage for an extended demand upcycle. The driver for this cycle will be a combination of natural replacement needs (the echo of the high volumes of ships built between 2007 and 2012) and the introduction of further new environment-driven regulations from the IMO aimed at reducing shipping's contribution to greenhouse gas emissions.

At the same time, many sources of capital are increasingly looking to ESG-focused, 'green' financing, which will require the shipping sector to adopt new, low-carbon solutions. MSI anticipates that this will lead to a further strong investment in newbuildings in the second half of this decade, following a hiatus in activity over the next couple of years.

Shipbuilding Capacity

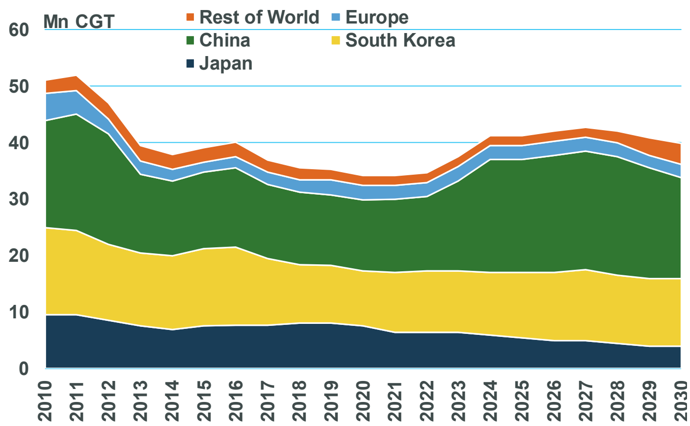
Given the positive sentiment in the shipbuilding industry in recent years, including a long-awaited return to profitability at leading yards in Korea and China, a major emerging trend has been the reactivation of mothballed shipyards. According to a market review by MSI, announcements involving the reactivation or expansion of seventeen shipyards in the Asia Pacific region have been made since 2021. The cumulative effect of introducing this capacity into the market could be significant, with an aggregate latent capacity of around 25 per cent. of the global total at the end of 2023. Chinese shipyards account for most of the announced capacity expansion.

Although these headline figures may raise fears over another "boom-and-bust" cycle in shipbuilding, MSI believes that the actual growth in shipyard capacity from these facilities will fall short of the headline 25 per cent. Some of the capacity will be used for ship machinery or other activities, while the full reactivation of others will be a multi-year endeavour involving considerable time and cost to ramp up production volumes. Prior output will not be achieved in most cases.

While the reactivation and new construction will take time, it is perhaps more striking how output from existing facilities in China has increased in 2024. Chinese deliveries averaged 11.0 Mn CGT in the first 10 months of each year from 2021 to 2023, but are reported to total 16.1 Mn CGT in the same period this year, an increase of 47 per cent. In contrast, output in Japan and Korea is stable.

Newbuilding capacity is expected to peak in 2027 at just over 45 Mn CGT, up from a recent nadir of 34.2 Mn CGT in 2020.

Chart: Global Shipbuilding Capacity



Note:

2024 to 2030 are forecast projections

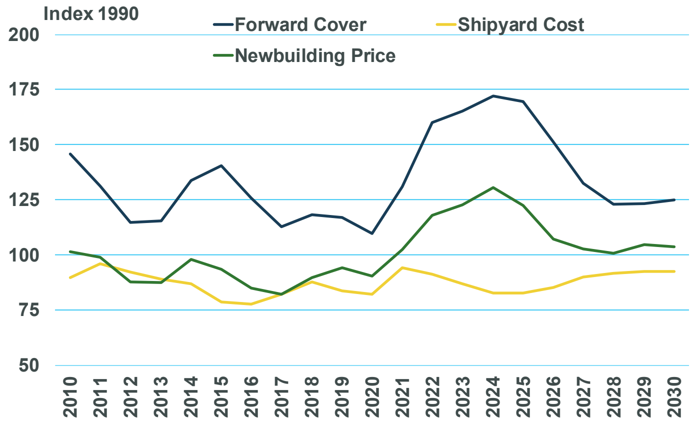
Source: MSI Q4 2024 Base Case

Newbuilding Prices

Newbuilding prices are volatile. This is largely due to the inelastic nature of shipbuilding supply and fluctuating demand. There are several reasons why the shipbuilding supply curve is inelastic. Shipyards respond to changes in the market by adjusting price rather than output.

Two main factors fundamentally determine newbuilding prices. Firstly, shipbuilding costs, which determine the minimum price a shipyard can charge without making a loss. Secondly, Forward Cover, defined as the ratio of the orderbook to shipbuilding capacity at any given point of time. A strong positive relationship exists between Forward Cover and the price markup over cost. When near-term berths are fully booked and the orderbook is “long” relative to shipyard capacity, Forward Cover rises and shipyards increase prices. When the orderbook is “short” relative to capacity, shipyards generally cut their prices to attract orders.

Chart: Global Forward Cover, Shipbuilding Costs and Newbuilding Prices



Note:

2024 to 2030 are forecast projections

Source: MSI Q4 2024 Base Case

There is correlation between yard price trends across different ship types. Newbuilding prices for vessels of different sizes and types in quite different shipping sectors move in tandem, in a way that is strongly suggestive of a unified market pricing structure. This is a direct consequence of most yards building three or more ship types, introducing strong price arbitrage between different sectors.

After a notable depression through the 2010’s, newbuilding prices began to recover from the end of 2020. Strong freight markets, particularly focused on the containership and car carrier sectors, resulted in a substantial volume of contracting during 2021-23. At the same time, high steel prices and wage/price inflation raised building costs.

Shipyard Forward Cover will remain at peak levels during 2024, given resurgent ordering for containerships and car carriers this year, and renewed momentum from oil tankers. While MSI anticipates that aggregate contracting volumes will more than halve in 2025 as the current contracting cycle unwinds, further ahead MSI expects contracting activity to pick up notably as traditional replacement requirement is intensified by tightening environmental restrictions. MSI is forecasting average annual newbuilding contracting volumes of nearly 32.7 Mn CGT between 2027 and 2030, compared to 30 Mn CGT in the 2010s.

However, this will not prevent a fall in the size of the global orderbook. While benchmark newbuilding prices in mid-2024 were 30-60 per cent. higher than at the end of 2020, and the current newbuilding cycle has proved remarkably persistent, MSI believes that the current price cycle is at a peak and levels will fall over the next couple of years. However, shipyard costs and a relatively high level of Forward Cover will put a floor under the decline. The forecast nadir in newbuilding prices in the middle of this decade will be significantly higher than pre-pandemic levels and remain around 14 per cent. above the average over the three-year period between 2016 and 2018.

The downside to this forecast comes almost entirely from the shipbuilding supply side. Should the increase in shipbuilding capacity outlined above be elevated or accelerated, there is clear potential for an exaggerated downturn in newbuilding prices when demand for new ships hits its lowest point.

Regulatory Environment

Introduction to Environmental Regulations in Shipping

The maritime sector is central to international trade, accounting for approximately four-fifths of total freight transport activity. It is also widely recognised as the most energy-efficient means of cargo transportation on an energy use per tonne-kilometre basis. Nevertheless, direct CO_2 emissions from international shipping have increased in the past decade as cargo volumes and associated shipping activity have increased globally. According to The Fourth IMO GHG Study (2020), international shipping emitted 1,056 MnT of CO_2 in 2018, compared to 962 MnT in 2012. In 2018, international shipping accounted for about 2.9 per cent. of global anthropogenic CO_2 emissions.

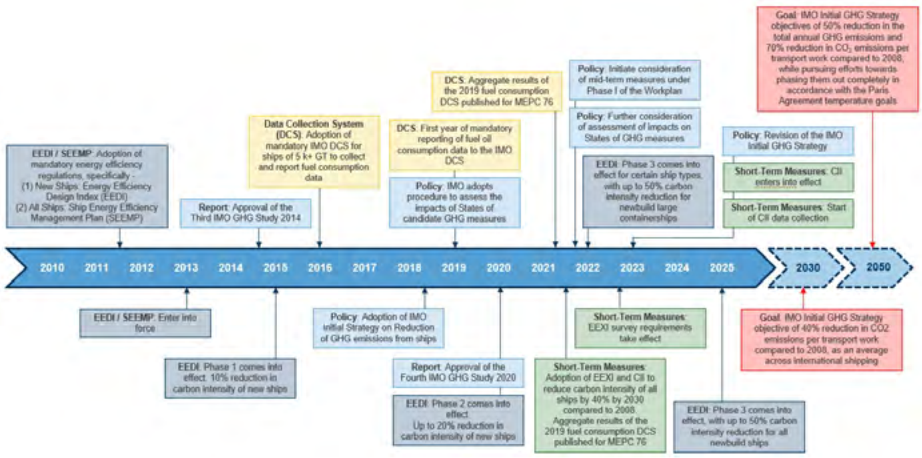
Over the last decade, the shipping industry's environmental credentials have come under increasing scrutiny, from regulatory bodies, civil society and governments. Environmental regulations within the shipping industry are a patchwork, with global regulation provided by the IMO supplemented by additional regulations stipulated by the flag state (the country where the vessel is registered) and port state (the country or countries where the vessel is trading to/from). Other key actors inputting into shipping regulation include the International Labour Organization and the International Association of Class Societies.

There have recently been several significant new environmental regulations applied to the shipping industry, demonstrating the increased interest of regulators and civil society in the maritime industry. Notable measures include the introduction of mandatory ballast water treatment systems (first in the US and then imposed globally by the IMO), reductions in sulphur emissions (first in California and Europe, and then imposed globally by the IMO), and nitrogen dioxide emissions for newbuild vessels (in the US, Caribbean, North Sea and Baltic). The most significant measures under consideration at national, regional and international levels are now actions to reduce vessels' carbon emissions.

Since 2010, international shipping has been responsible for approximately 3 per cent. of global CO2 emissions. For comparison, this means that if the shipping industry were a country, it would rank among the top ten emitters globally, with annual CO2 emissions roughly equivalent to those of Japan.

The industry's principal regulator, the IMO, has set targets for reducing GHG emissions from shipping. The key agreed target is to peak GHG emissions as soon as possible and reach net-zero GHG emissions by or around 2050. Further targets have also been set on carbon intensity: specifically, a reduction in CO2 emissions "per transport work" by at least 40 per cent. by 2030, to reduce the total annual GHG emissions from international shipping by at least 20 per cent., striving for 30 per cent., by 2030, compared to 2008; and to reduce the total annual GHG emissions from international shipping by at least 70 per cent., striving for 80 per cent., by 2040, compared to 2008. Finally, the uptake of zero or near-zero GHG emission technologies, fuels and/or energy sources to represent at least 5 per cent., striving for 10 per cent. of the energy used by international shipping by 2030.

Schematic: Overview of Major IMO Greenhouse Gas Legislation Since 2011



Source: MSI, August 2024.

Emissions-reducing regulations introduced from 1 January 2023 include Energy Efficiency Existing Ship Index ("**EEXI**"), Ship Energy Efficiency Management Plan ("**Enhanced SEEMP**"), and Carbon Intensity Indicator ("**CII**"). Among other things, these measures are intended to reduce emissions by limiting the power output from vessels' main engines, which may have the effect of reducing the operating speed of the global fleet, tightening effective supply.

The CII is a rating assigned to a ship depending on how efficiently a ship transports goods or passengers, based on the grams of CO2 emitted per capacity-mile. Taking effect from the start of 2023, all cargo, RoPax and cruise ships above 5 k GT were assigned an attained CII based on their annual performance. The annual attained CII will be calculated using data reported via the IMO's Data Collection System ("**DCS**"). This attained CII will then be measured against a benchmark level or required CII. Ships will be given an operational carbon intensity rating from A to E according to how their attained CII compares to the required CII. A-C ratings indicate that a vessel has met its CII requirements. Ships that achieve a D rating for three consecutive years or an E rating in a single year will have to develop and have approved a corrective action plan as part of their enhanced SEEMP.

Crucially, the CII is a progressive measure, with each vessel's required CII reference adjusted downwards each year, becoming increasingly stringent in line with the targeted global improvements in CO2 emissions. Using 2019 as the base year for the required CII reference lines, the reduction factors are set at 1 per cent. per year for 2020-2022 and 2 per cent. per year for 2023-2026. The reduction factors for 2027-2030 will be decided as part of the review to be concluded by 1 January 2026.

Other national and pan-national regulators are also implementing regulations, with a notable example being the inclusion of shipping within the EU ETS from 1 January 2024. Regulation focused upon decarbonisation and broader emissions reduction is expected to evolve and tighten over time.

The current consensus view is that 2030 will be the earliest inflection point at which next-generation green fuels (with the considerable infrastructure required to support them) will become commercially available, allowing industry adoption to begin to accelerate. In the interim, the industry is expected to continue to rely predominantly on existing, conventionally-fuelled vessels optimized for lower emissions. Although not without its own challenges, Carbon Capture and Storage ("**CCS**") is receiving increasing attention as a potentially powerful tool to mitigate emissions and to support the synthesis and circularity of clean fuels such as Green Methanol.

The drive to decarbonise the shipping industry will have a multifaceted impact on international shipping. At a high level, you can separate its impact into two broad areas: the commodities transported by sea and the ships themselves. The most obvious effects are the radical changes it will have on the profile of individual vessels in terms of the fuels they burn and technologies on board. However, there will also be significant disruption to the classic supply-side dynamics regarding newbuild contracting volumes and demolition activity.

Action on emissions is not confined to the regulators, with other industry groups also taking action. The finance community is one example, with a number of major ship finance banks signing up to the Poseidon Principles and thereby committing to measure and publish their portfolios' emission profiles against the IMO's proposed 2050 trajectory, as well as working with their clients to bring vessel emissions in line with that trajectory. Major cargo interests, as well as shipowners and operators, have also announced targets relating to the decarbonisation of their maritime operations.

Other areas of future regulation within shipping may include ship recycling (already in place for vessels flying an EU flag or trading to EU ports, and to be enacted globally if the Hong Kong Convention is ratified), smart/autonomous vessels and further restrictions on nitrogen dioxide emissions.

EU Regulations

The EU has, together with the US, been one of the more proactive regulators of shipping. Based on the European Green Deal strategy and following an impact assessment, in 2022 the EU put forward a comprehensive plan to achieve a 55 per cent. net emission reduction by 2030, compared to 1990, in a responsible way. The 2030 target aligns with the Paris Agreement objective to keep the global temperature increase to well below 2°C and pursue efforts to keep it to 1.5°C.

The result of this proposal is the "Fit for 55" package which includes several different systems and tools aimed at working together to achieve this goal.

Table: EU ETS and Fit for 55 Initiatives

Initiative	Name	Summary
ETS	Emissions Trading System	Include shipping emissions on a tank-to-wake (TtW) basis in Europe's existing trading system for the allocation and trading of annual emissions allowances
FuelEU	FuelEU Maritime	Enforce a reduction in the greenhouse gas intensity of fuels used by ships within and into/and out of Europe on a well-to-wake (WtW) basis
ETD	Energy Taxation Directive	Introduce taxation for bunker fuels sold in the EU and used on voyages within the EU, varied based on GHG intensity of the fuel
AFIR	Alternative Fuels Infrastructure Regulation	Scheme designed to increase the availability of both alternative fuels within the EU and more climate-friendly electrical power supplies at ports
RED III	Renewable Energy Directive	Designed to increase the use of energy from renewables, foster better energy system integration and contribute to climate and environmental objectives.
CBAM	Carbon Border Adjustment Mechanism	Adjust import prices for goods created using low cost but polluting energy sources

Source: MSI

Energy Saving Technologies

Improving the energy efficiency of vessels means lower fuel consumption and reduced carbon dioxide emissions. Energy Saving Technologies ("**ESTs**") are devices and equipment that can be installed on a ship, either whilst under construction or retrofitted, to improve the operational efficiency of a vessel.

ESTs include machinery, propulsion and hull improvements, energy recovery systems and technological solutions for optimizing fuel consumption.

The savings potential and associated costs for each measure depend on the type and operation of the vessel. Therefore, the savings potential and costs are indicated with a range based on reported marketing claims and do not account for the use of multiple ESTs simultaneously. It should be noted that these figures often do not account for the variability of real-world conditions.

Table: Estimated Cost of Typical EST Retrofits

Vessel Class	Per Unit/ Installation *(U.S.$ million)*
Sails/Rotor	0.8
Rudder/Propellor	0.35
Air Lubrication	1.15

Source: MSI, Various Industry Sources

Alternative Marine Fuels

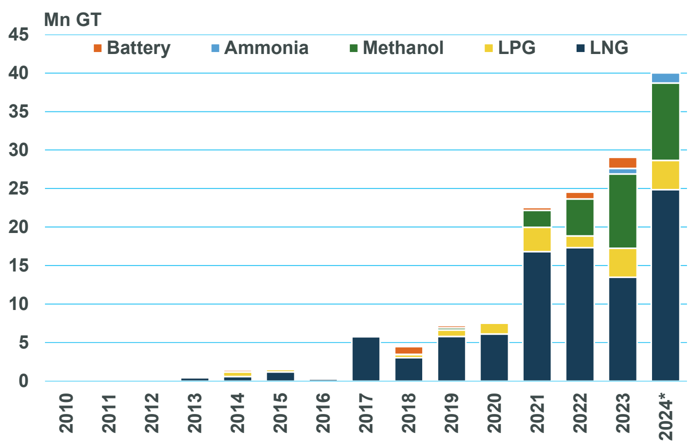
The IMO's emission reduction goals pose a host of challenges for stakeholders across the shipping industry, from policymakers and fuel suppliers, to shipyards, equipment manufacturers and ship owners. Prevailing uncertainty around the specifics of policies and regulations, and timing and technologies are central to these challenges. Essentially, the shipping industry needs to balance the need for compliance while remaining economically competitive. Ships are high-value, long-lived assets and steps need to be taken to ensure that any investment in tonnage now will not require major additional outlays to comply with future regulations. Or indeed, that future regulations will render vessels obsolete.

The current consensus in the industry is that there is no single realistic solution to meet these ambitious targets. Instead, there are a number of pathways to success. These include the use of energy efficiency technologies and a range of storage systems. There is also to option to enhance operational pathways whereby the global fleet slows down, either arbitrarily through a regulatory mandate, or operationally through a shift to just-in-time shipping by enhancing port-to-ship communications. However, it is unlikely that these measures alone will be sufficient to reach the absolute GHG emissions reduction target. The transition to non-oil, "alternative" low- and zero-carbon fuels will also be necessary.

The uptake of alternative fuels in the maritime sector is underpinned by several key factors. Specifically, its availability, its scalability, its affordability and its environmental performance.

The following chart breaks down newbuild contracting of alternative-fuel-capable vessels by fuel type since 2010.

Chart: Alternative Fueled Ship Contracting by Fuel Type



Notes:

(1) Information on individual vessels' fuel types is collated on a best-efforts basis from a variety of different sources. It may not be comprehensive and is subject to revision.

(2) Excludes vessels that have been retrofitted to burn alternative fuels.

(3) Excludes LNG Carriers.

(4) *2024 data is January to October

Source: MSI Q4 2024

Uptake of alternative fuels has taken off in some sectors, notably containerships and car carriers. The primary contenders are:

LNG as a Fuel

The most widely adopted alternative fuel at present is LNG. Originally used solely in LNG carriers equipped with engines designed to utilise cargo boil-off, the technology has matured in the last few years and has increasingly found applications across other ship types.

As detailed in the chart, the volume of LNG-fuelled newbuild contracting totalled 0.2 Mn CGT in 2010. This rose to more than 5 Mn GT in 2017, 2019, and 2020, before accelerating to 17 Mn GT in 2021 and 2022. In 2024, it has rocketed to 24.8 Mn GT in the first 10 months of the year, driven by the containership sector.

A number of factors have led to the increasingly widespread adoption of LNG as an alternative fuel. First, it is a safe, proven technology that has matured organically within the LNG carrier market. Second, significant logistical advancements have been made in bunkering facilities over the last decade. Thirdly, there is transparency regarding the additional capital expenditure required for investment in LNG-fuelled newbuild vessels.

Despite overcoming technological and logistical hurdles, two main problems affect its viability as a long-term solution. The first revolves around its emissions reduction potential. Compared to conventional fuel oils, using LNG as a marine fuel eliminates the emission of sulphur oxides and particulate matter and reduces emissions of nitrogen oxides by 80 per cent.-85 per cent. However, LNG only reduces CO_2 emissions by approximately 25 per cent. The second problem is the potential for methane slip during the production and transportation of LNG and during its combustion in the engine. CH_4 is a more potent greenhouse gas than CO_2 by a factor of around 25 over 100 years, and methane slip effectively negates any benefit of LNG as a bunker fuel in terms of GHG emissions reduction. The issue of methane slip is particularly relevant when measuring GHG emissions on a well-to-wake basis.

Ultimately, while LNG is likely to be an integral bridging fuel in the industry's attempt to meet the interim 2030 emission reduction targets, its suitability as a solution for the more ambitious 2050 goals remains in question.

Methanol as a Fuel

Methanol ("**CH_3OH**") is a colourless, flammable, water soluble and biodegradable alcohol that is widely used in the chemical industry, but is also increasingly used as a clean energy source in the automotive, marine and power sectors, either on its own or blended with other fuels. Methanol is primarily produced through steam reformation of natural gas to create syngas which can then be distilled to produce methanol. Although conventional methanol has carbon emissions comparable to natural gas, carbon-neutral green methanol can be produced from renewable sources such as biomass, waste gas from sewage and municipal waste, or from combining carbon dioxide and hydrogen produced with renewable electricity. However, green methanol remains expensive to produce and global production remains low.

Methanol burns cleanly and generates low levels of engine soot compared to conventional fossil fuels. Internal combustion engines designed to burn fossil fuels and the fuel delivery systems also require fairly limited modifications in order to burn methanol. However, the energy content of methanol is approximately half that of conventional fossil fuels, doubling the requirements for onboard tank storage to maintain the equivalent geographic range. As such, methanol is best suited to vessels operating over short and medium distances or as a drop in fuel blended with conventional fossil fuels. It can also be used as a carrier for hydrogen in fuel cells.

Ammonia as a Fuel

Ammonia ("**NH_3**") is a colourless gas that produces water and nitrogen when burned at low temperatures, but when burned at higher temperatures, produces nitrous oxide or nitrogen dioxide. Today, ammonia is mainly produced by converting a feedstock such as methane to produce hydrogen, which is then reacted with nitrogen; using a hydrocarbon feedstock implies that almost all ammonia today produces CO_2. However, it is proposed that in the future, green ammonia could be produced using renewable electricity to electrolyse water to produce hydrogen whilst separating nitrogen from the air; this process would not generate CO_2.

The principal advantages of ammonia as a fuel are that its transportation at sea is well understood, having been carried on LPG carriers for many years, and that its combustion inherently produces zero carbon emissions. The principal disadvantage of ammonia is that at present, there is almost no green ammonia produced – hence, the CO_2 savings are not realised – and to produce green ammonia may not be economically viable without some form of support in the form of taxes, subsidies or commercial backing. Additionally, ammonia has approximately half the energy density of conventional ship fuels, so it requires twice the storage space. It is also highly toxic, and vessels will need additional safety equipment and systems to use ammonia.

At present, no vessels currently burn ammonia as a fuel. However, there are now a handful of vessels on the orderbook with the first delivery possible next year.

Availability of Low Carbon Fuels

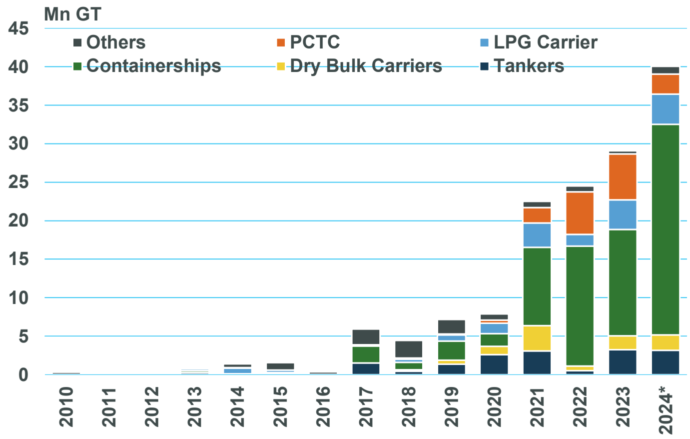
The major story of the last three years has been the emergence of methanol as the fuel of choice for many operators, especially in the containership sector. In 2023, nearly 10 Mn GT of vessels was ordered with the potential to burn methanol. This success has brought its own problems, however, with progress on the delivery of blue and green methanol not keeping pace with the ordering of vessels. The issue of availability of all green fuels will be a major hurdle in the IMO meeting its target of at a least 5 per cent., striving for 10 per cent. of energy used by 2030.

To put the target of 5 per cent. (or 10 per cent.) of fuel consumed being zero or near zero GHG by 2030 into context, MSI forecasts that 9 per cent. of the fleet will be installed with an engine capable of burning methanol or ammonia by 2030.

However, that does not mean these vessels will access zero or low-emission methanol or ammonia. MSI's forecast for methanol- and ammonia-fuelled fleets in 2030 would require close to 40 MnT of methanol and 10 MnT of ammonia to avoid fossil fuels.

Progress within the hydrogen economy has been slower than expected, with many observers, including MSI, downgrading expectations. Based on current projects/plans, the bunker supply of methanol could be 7 MnT in 2030 and 2.5 MnT of ammonia. In essence, the availability of engines is likely to be ample for methanol, but the fuel supply will be insufficient. For ammonia, the opposite is likely to be true. This point is not new but needs reiterating – many ships fitted with dual-fuel engines will not consume clean fuel. They will be able to meet CII and FuelEU regulations by using blended grey/clean fuels. Breaching the 5 per cent. barrier at a global level will require an acceleration of the production of clean fuels for shipping.

Chart: Alternatively Fuelled Ship Contracting by Ship Type



Notes:

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(2) Excludes vessels that have been retrofitted to burn LNG fuel.

(3) Excludes LNG Carriers.

(4) * 2024 data is from January to October

Source: MSI Q4 2024

The Company has adopted a range of strategies in response to increasing environmental regulation of the shipping industry. With regards to the EEXI and CII rating, the first annual reporting for these certifications was completed in 2023, with the initial ratings given in 2024. The Company performs quarterly reviews of its CII ratings and is committed to improving them annually by 2 per cent. For ships that fall in D and E ratings, the Company takes measures to improve the rating, which also includes discussing with the charterers to reduce ships' idle/waiting time.

The Company also regularly engages with industry players such as regulatory bodies, engine manufacturers, customers, shipbuilding, and financial institutes to study and implement new technologies that will contribute to the decarbonisation efforts in the shipping industry.

Through a comprehensive system of monitoring emissions, the Company tracks fuel consumption data to accurately calculate CO2 emissions, identify trends and patterns, and analyse areas for improvement and emission reduction strategies. Energy-efficient technologies, such as improved vessel propulsion systems, modern vessel coatings, energy management systems, as well as regular ship inspections and routine hull and propellor cleaning are aimed at optimising ship design and operations. In addition, the Company is exploring alternative fuel options, such as ammonia, methanol, biofuels and hydrogen, focusing on addressing the challenges related to safe handling, storage and infrastructure development associated with their adoption. Currently, the Company's vessels use very low sulphur fuel oil and heavy fuel oil and are fitted with scrubbers to control emissions. The Company has complied with the IMO's 5 per cent. global cap on content of sulphur in fuels since its introduction in 2020.

With regard to ballast water management requirements of the International Convention for the Prevention of Pollution from Ships ("**MARPOL**") that aim to protect the environment from invasive species present in ballast water, the Company's vessels have been retrofitted with a Ballast Water Treatment System ("**BWTS**") which is designed to eliminate invasive aquatic species, ensuring that ballast water can be safely discharged without harming the coastal marine environments or ports. The Company also tracks the volume of bilge water, which is water collected in the bottom inside part of its ships from leakages from seawater and freshwater pumps and coolers, that is discharged overboard. All bilge water is treated by an oily water separator ("**OWS**") which clears it of oily content.

To improve energy efficiency, the Company has implemented various energy-saving technologies on certain vessels, including:

Anemoi Rotor sail: technology capitalising on the aerodynamic phenomenon known as the Magnus Effect, increasing efficiency by reducing fuel consumption, bunker costs and harmful emissions;

Optisave variable frequency diverter: a device aimed at optimising the control system of cooling pumps and ER fans onboard vessels, reducing the electrical power consumed and saving fuel;

Becker Mewis Duct: an energy-saving device developed for full-form slower ships enabling either significant power savings at a given speed or, alternatively, faster travel speeds at a given power level;

Silverstream air lubrication system: technology reducing the frictional resistance of the vessel by creating a carpet of microbubbles that coats most of the flat bottom of a vessel's hull, resulting in lower fuel consumption and reduced emissions of up to 10 per cent;

Engine power limiter: technology establishing a semi-permanent, overridable limit on a ship's maximum power and speed via its main engine;

Intersleek 1100SR coating: ultra-smooth low friction surface paint providing up to 9 per cent. fuel savings and substantial CO2 reduction compared to conventional antifouling coatings; and

Azra Tech – Nano Epoxy Advanced coating: coating solution for underwater hull protection offering energy and fuel saving benefits due to its ultra-smooth low-friction surface and high abrasion and mechanical shock resistance.

For its newbuildings, the Company has ordered two LNG ships with a dual fuel option to be ready for future alternative clean fuels.

Benchmarking

Benchmarking Fleet Characteristics, Operational KPIs and Vessel Operating Costs

MSI has benchmarked the Company's fleet of vessels against the global cohort fleet and a selected competitor cohort fleet across a selection of data points including: vessel specifications; average age; operational KPIs (time in port, time in ballast, vessel speed); and vessel operating costs.

MSI's comparative analysis of the dimensions and characteristics of the Company's fleet against the global fleet shows that for each sector and segment, the Company's vessels conform with the average dimensions and characteristics of the clearly defined standard benchmarks within the global fleet. In the two segments that account for the largest proportion of the Company's proprietary fleet (VLCC and MR tankers), the average age of the Company's vessels was below the industry average. In other segments, the opposite was true.

Three operational KPIs were analysed by vessel type for the Company's fleet compared against a competitor cohort fleet. The source of the data was AIS signals. Data for 2022 and 2023 was used for the time in port and ballast analysis, to improve the sample size. For speeds analysis, however, data from 2023 was sufficient. The results were as follows:

- **Time in Port:** for all sectors bar product tankers, the Company's vessels spent on average a lower share of time in port than the competitor cohort. For product tankers, the Company's vessels spent marginally more time in port than the competitor cohort.

- **Time in Ballast:** the Company's fleet spent similar times in ballast than the competitor cohort, with slightly less time for product tankers and slightly more time for VLCCs.
- **Speed Distributions:** the Company's modal speeds at sea were very similar to the cohort average for dry bulk and tanker vessels. Containerships operated at a faster speed than the cohort, but the Company's containership speeds were normal when compared with the global average, implying that competitor cohort speeds were abnormally low. Meanwhile the LNG carrier speeds were slightly lower than the cohort average.

The Company's average daily vessel operating costs for the 2023 calendar year were compared against MSI's annual survey of vessel operating costs for each sector and segment. The Company's vessel operating costs were found to be consistent with average costs collected through the survey, with the largest deviations evident for the Company's DFDE LNG carriers (17 per cent. below survey average) and Ultramax bulk carriers (13 per cent. above survey average).

Chapter XII
Description of the Company and Business Overview

Overview

The Company is one of the leading players in deep-sea transportation, offering reliable and competitive shipping solutions to its diversified portfolio of blue-chip international and local customers. The Company provides diversified maritime shipping solutions to its customers, operating through five business segments:

- **Crude Shipping**: Through the Crude Shipping segment, the Company operates 12 owned VLCCs, four chartered-in Suezmaxes and two chartered-in Aframaxes transporting crude oil. The Company also has four VLCCs tankers under order. For the year ended 31 December 2023 and the nine months ended 30 September 2024, Crude Shipping revenue was OMR 118.6 million (U.S.$308.1 million) and OMR 74.4 million (U.S.$193.1 million), respectively (representing 32.6 per cent. and 27.1 per cent., respectively, of the Company's revenue). For the year ended 31 December 2023 and the nine months ended 30 September 2024, Crude Shipping TCE Revenue was OMR 93.8 million (U.S.$243.7 million) and OMR 65.9 million (U.S.$171.2 million), respectively.

- **Products Shipping**: Through the Products Shipping segment, the Company operates 13 owned and two co-owned and 19 chartered-in products tankers transporting liquid cargoes, including refined petroleum and chemical products. For the year ended 31 December 2023 and the nine months ended 30 September 2024, Products Shipping revenue was OMR 83.0 million (U.S.$215.5 million) and OMR 74.2 million (U.S.$192.8 million), respectively (representing 22.8 per cent. and 27.0 per cent., respectively, of the Company's revenue). For the year ended 31 December 2023 and the nine months ended 30 September 2024, Products Shipping TCE Revenue was OMR 77.0 million (U.S.$199.9 million) and OMR 73.6 million (U.S.$191.0 million), respectively.

- **Dry Bulk Shipping**: Through the Dry Bulk Shipping segment, the Company operates four owned VLOCs, seven owned Ultramax vessels, one chartered-in Ultramax vessel, three chartered-in Supramax vessels, two chartered-in Handymax vessels and one chartered-in Kamsarmax vessel carrying raw materials, refined products and finished goods under long-term contracts with metallurgical producers. For the year ended 31 December 2023 and the nine months ended 30 September 2024, Dry Bulk Shipping revenue was OMR 64.8 million (U.S.$168.3 million) and OMR 44.9 million (U.S.$116.6 million), respectively (representing 17.8 per cent. and 16.3 per cent., respectively, of the Company's revenue). For the year ended 31 December 2023 and the nine months ended 30 September 2024, Dry Bulk Shipping TCE Revenue was OMR 54.2 million (U.S.$140.7 million) and OMR 41.1 million (U.S.$106.6 million), respectively.

- **Gas Shipping**: Through the Gas Shipping segment, the Company operates five co-owned and one owned LNG carriers, one co-owned VLGC and one chartered-in MGC to transport LNG and LPG to markets around the world. The Company also has two eco-LNG carriers under order. For the year ended 31 December 2023 and the nine months ended 30 September 2024, Gas Shipping revenue was OMR 51.6 million (U.S.$134.0 million) and OMR 37.5 million (U.S.$97.4 million), respectively (representing 14.2 per cent. and 13.6 per cent., respectively, of the Company's revenue). For the year ended 31 December 2023 and the nine months ended 30 September 2024, Gas Shipping TCE Revenue was OMR 51.1 million (U.S.$132.7 million) and OMR 37.5 million (U.S.$97.5 million), respectively.

- **Liner Shipping**: Through the Liner Shipping segment, the Company's wholly-owned subsidiary ASL operates a network of maritime routes served by five container vessels. ASL plays a critical role connecting Omani ports to key global markets in the GCC, China, Southeast Asia and beyond through its regional network, offering container feeder solutions to main line operators ("**MLOs**") and commercial liner services. In addition, ASL offers a wide range of value-added services, from storage and transportation to customs clearance services, all within a flexible, trusted integrated logistics offering that appeals, in particular, to local customers. For the year ended 31 December 2023 and the nine months ended 30 September 2024, Liner Shipping revenue was OMR 44.2 million (U.S.$114.9 million) and OMR 42.7 million (U.S.$110.8 million), respectively (representing 12.2 per cent. and 15.5 per cent., respectively, of the Company's revenue). For the year ended 31 December 2023 and the nine months ended 30 September 2024, Liner Shipping TCE Revenue was OMR 4.5 million (U.S.$11.7 million) and OMR 16.9 million (U.S.$43.8 million), respectively.

For the definitions of all Non-IFRS information and other operational data used, see "*Presentation of Financial, Industry and Market Data—Non-IFRS Information and Certain Other Financial and Operational Data*".

In addition, the Company also provides ship chartering, cargo and voyage management, container and feeder services, and technical ship management services through its subsidiaries, including OCC, OSMC, ASMC, ASL and ASPL, allowing it to offer full-fledged maritime transportation services of the highest industry standards. OCC and ASPL oversee the Company's expanding chartering and broking activities, encompassing not only Company-owned vessels but third-party ships as well. OCC and ASPL also commercially manage several vessels that have been chartered-in to support the Company's customers. The large majority of the Company-owned vessels, including its VLCCs, VLOCs, LNG carriers, products tankers and dry bulk carriers, are managed in-house by OSMC.

Since its inception in 2003, the Company has supported the Omani government's vision to develop a national shipping fleet catering to the maritime transportation requirements of the country's rapidly growing hydrocarbon, petrochemical, mining and metallurgical industries. The Company is backed by the Oman Investment Authority, the investment arm of Oman, which provides access to a vast network of portfolio companies and leading national companies, making it a first-choice partner for key projects and clients in Oman. The Company's shipping operations play a crucial role in the Omani and wider GCC logistics and transportation sector, is the shipping company of choice for the Omani ecosystem and, as a sustainability champion, will help drive the decarbonisation of the Omani maritime industry.

The Company is a subsidiary of the broader Asyad Group, a national vertically integrated logistics provider with a strong network and brand recognition across regional and international markets. As part of the Asyad Group, the Company benefits from shared resources and access to an integrated suite of complementary services, including drydocks, repair and maintenance facilities, shared infrastructures (ports, free-zones, etc.) and human resources (treasury, human resources, procurement, communication services, legal services and IT services).

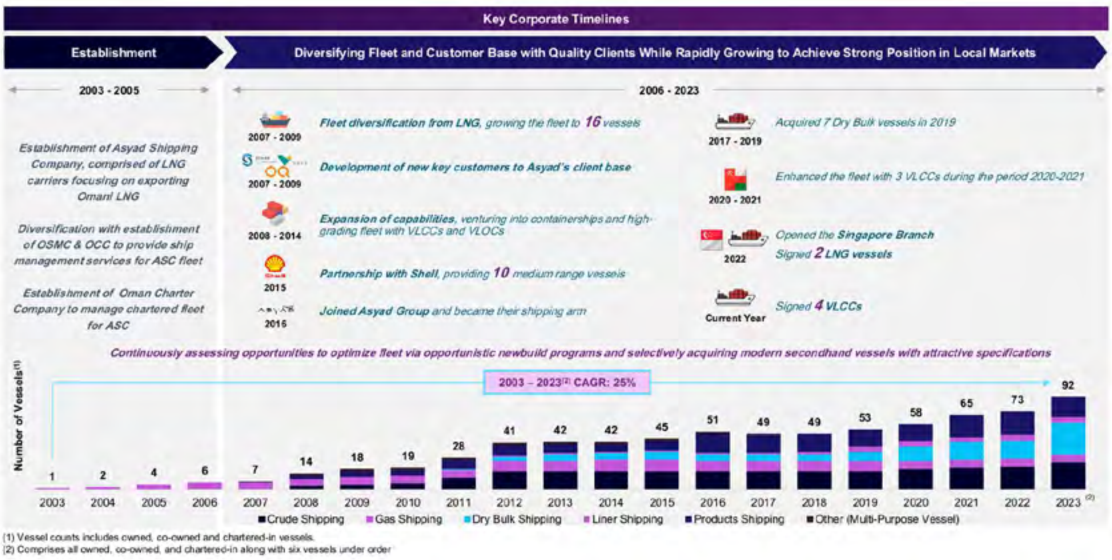
With one of the largest globally diversified fleets, the Company is able to serve over 60 countries and is well positioned to supply high-growth markets, such as Asia, the Middle East and North Africa. The Company conducts its operations through its fleet of 89 vessels, of which 47 are owned or co-owned, 36 are chartered-in and 6 are currently under order, with a total aggregate capacity of more than 9.5 million DWT as at 30 September 2024. The Company's vessel fleet comprises:

- 22 crude tankers (16 VLCCs (four of which are under order), four Suezmax vessels and two Aframax vessels),
- 34 products tankers (27 MRs, two LR2s, two methanol carriers, two small tankers and one small chemical tanker),
- 18 dry bulk carriers (four VLOCs, eight Ultramax vessels, three Supramax vessels, two Handymax vessels and one Kamsarmax vessel),

- ten gas carriers (eight LNG carriers (two of which are under order), one VLGC and one MGC), and
- five container vessels (two Handymax vessels, one Handysize vessel, one Supramax vessel and one Panamax vessel).

For the year ended 31 December 2023 and the nine months ended 30 September 2024, the Company had revenue of OMR 363.7 million (U.S.$944.7 million) and OMR 274.9 million (U.S.$713.9 million), respectively, TCE Revenue of OMR 282.0 million (U.S.$732.5 million) and OMR 236.1 million (U.S.$613.3 million), respectively, Adjusted EBITDA of OMR 184.0 million (U.S.$478.0 million) and OMR 162.9 million (U.S.$423.0 million), respectively, and profit of OMR 39.5 million (U.S.$102.6 million) and OMR 45.9 million (U.S.$119.2 million), respectively. See "*Presentation of Financial, Industry and Market Data—Non-IFRS Information and Certain Other Financial and Operational Data*". For the definitions of all Non-IFRS information and other operational data used, see "*Presentation of Financial, Industry and Market Data—Non-IFRS Information and Certain Other Financial and Operational Data*".

History



The Company commenced operations in 2003 with a single ship, with the goal of enhancing the supply chain within the oil and gas industry and contributing to Government income diversification plans. In cooperation with an international shipping company, Mitsui O.S.K. Lines, Ltd. ("**MOL**"), the Company established a partnership to own and operate a fleet of LNG vessels dedicated to exporting Omani LNG. In 2004, the Company set up subsidiaries OSMC and OCC to provide ship chartering and ship management services. The majority of the Company's initial LNG vessels were delivered in 2005, reaching a total of four vessels.

From 2007, the Company began to strategically diversify its fleet to include tankers and dry bulk carriers, positioning itself as the shipping arm of the Omani government. This move enabled the Company to offer comprehensive shipping solutions to major Omani state-owned companies, including OQ, OQ Base Industries SAOG and Sohar Aluminium. In 2008, the Company and MOL formed another joint venture to expand the fleet of products tankers and VLCCs and, in 2009, the Company placed orders for 12 VLCCs from HHI, Hanwha Ocean Co., Ltd. (formerly, Daewoo Shipbuilding & Marine Engineering) and Samsung Heavy Industries, reaching a total of 16 vessels.

From 2010 onwards, the Company expanded its capabilities by ordering four Very Large Ore Carriers ("**VLOCs**") to be chartered exclusively to Vale S.A., which were the first of their kind to transport iron ore from Brazil to Sohar. In addition, the Company started its Liner Shipping business, initially through the use of two small vessels, in order to support the Omani logistics sector.

In 2015, the Company seized a significant opportunity to enter the international oil products shipping market by cooperating with Shell and chartering ten MR2 products tankers to transport oil derivative products.

In 2016, the Company joined the Asyad Group and became the group's shipping arm.

In 2017, the Company launched the Crude Tankers Chartering Desk and founded its subsidiary Asyad Line LLC ("**ASL**"). That same year, the Company also further strengthened its relationship with Shell by providing a VLCC shipping solution to transport crude oil, which significantly enhanced the Company's reputation with A-class oil majors and its visibility in the international shipping market. Thereafter, the Company continued its fleet development in 2019 by ordering three additional VLCCs from DSME and, in 2021, the Company introduced a chartering strategy to capitalize on potential market upside by chartering-in and chartering-out third-party vessels. This strategy enhances the Company's flexibility, allowing it to expand its fleet to meet growing customer demands while avoiding the substantial capital expenditure typically associated with ship ownership.

During the Covid-19 pandemic, the Company worked together with its shareholder, Asyad Group, to help support the national agenda of ensuring food security by establishing ASL to support the supply chain logistics sector. In 2022, the Company ordered two more eco-LNG vessels to provide shipping solutions to Oman LNG, as part of the Company's continued collaboration with leading national companies and contribution to In-Country Value (defined as the total spend retained in-country that benefits business development, contributes to human capability development and stimulates productivity in Oman's economy). It expects these vessels to be delivered in 2026. That year also saw the Company's first corporate move outside of Oman and entry into one of the world's leading shipping centres through the establishment in Singapore of its subsidiary, ASPL, to operate the Company's bulk and products chartering desk in Asia.

In each of 2022 and 2023, the Company took advantage of a strong VLCC resale market and sold six of its oldest vessels (all of which were VLCCs) as part of its fleet renewal programme, and in turn ordered four new VLCCs in 2024 for delivery in 2026 and 2027, further reinforcing its position as one of the leaders in the shipping industry.

Competitive Strengths

World-class shipping platform based in a strategic location with global reach

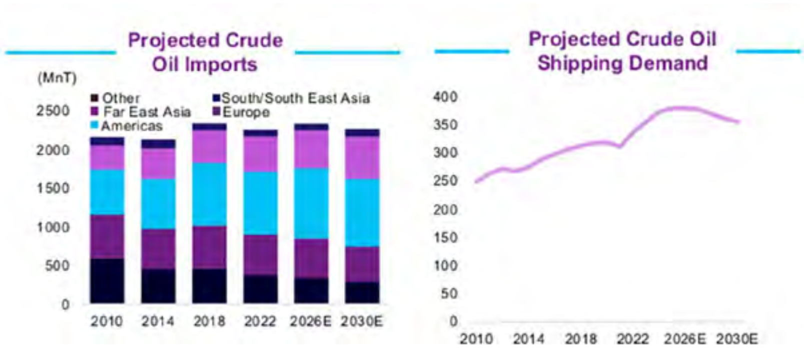
With a fleet of 89 vessels (as of 30 September 2024), the Company has an extensive portfolio of owned, co-owned and chartered-in vessels and offers a number of complementary logistics services. In addition to its five core segments - Crude Shipping, Products Shipping, Dry Bulk Shipping, Gas Shipping and Liner Shipping - the Company offers specialised shipping solutions. It operates one of the largest globally diversified shipping fleets, supported by in-house commercial services (including chartering and brokering) and in-house technical services (including ship operations and management). The Company is diversified across shipping segments as well as vessel types within each segment, maintaining a young fleet with high utilisation rates across all segments.

The Company leverages Oman's strategic location as a gateway to growing markets in MENA and the Indian subcontinent, serving over 60 countries. As the largest shipping and logistics company in Oman, it benefits from Oman's robust maritime infrastructure and central location at the crossroads of global shipping, which provides the Company and its customers access to key markets in Asia, Africa and Europe.

Strong market outlook across the Company's core segments underpinned by growing shipping demand and need for aging fleet replacement

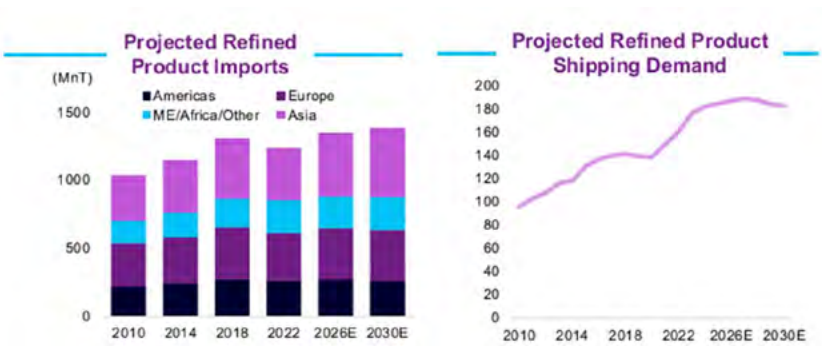
The Company benefits from favourable global supply-demand dynamics across most of its shipping segments, in addition to strong Omani economic and project growth.

In the crude oil market, demand is expected to be supported by stable growth in global oil production and consumption, primarily resulting from high growth areas such as the Asia-Pacific region. Supply in the crude shipping market is expected to be constrained by a significant gap in vessel supply as the scrapping of older vessels accelerates. Although approximately 40 per cent. of the global crude tanker fleet is over 15 years old (with significant potential for scrapping over the next five to ten years), the orderbook as of 30 September 2024 is expected to replace only approximately 21 per cent. of this scrap-candidate fleet (source: Market Consultant). The following charts illustrate the historical and projected crude oil imports and shipping demand:



Source: Market Consultant

Similarly, in the refined products market, demand is expected to continue to be supported by expanding refining capacity and stable growth in global demand for refined products. Supply in the products shipping segment is expected to grow at a limited rate, though there will continue to be a gap in vessel supply. Over 40 per cent. of the global fleet is over 15 years old, while the orderbook as of 30 September 2024 is expected to replace approximately 20 per cent. of the current global fleet (with most of the current orderbook consisting of vessels with more than 80,000 DWT) (source: Market Consultant). The following charts illustrate the historical and projected refined product imports and shipping demand:



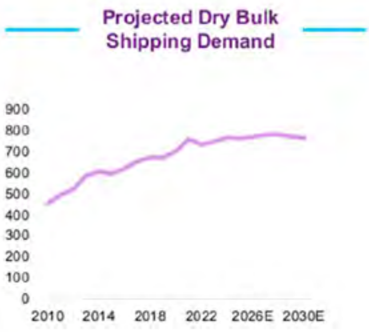
Source: Market Consultant

In the dry bulk market, demand is expected to remain stable, as the import and export of minor bulks and grains is expected to grow, while the import and export of major bulks is expected to remain largely flat. Regional demand growth in the GCC is expected to be above the global average. Vessel supply in the segment is expected to be constrained by both a limited orderbook as compared to the aging global fleet and environmental regulations coming into effect, which will require large portions of the existing global fleet to reduce their sailing speed and/or retrofit vessels with energy saving technology (source: Market Consultant). The following charts illustrate the historical and projected dry cargo development and dry bulk shipping demand:

Projected Dry Cargo Development

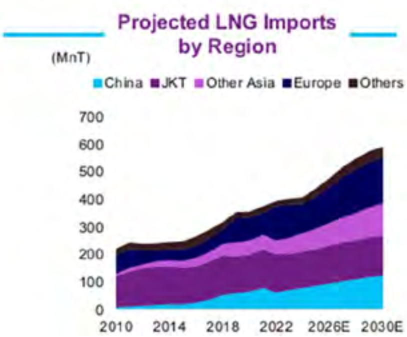
(MnT)

	2024E	2026E	2028E	2030E
Iron Ore	1,575	1,613	1,547	1,435
Coal	1,310	1,340	1,309	1,248
Grains / Soya	550	593	641	676
Minor Bulks	1,739	1,839	1,968	2,065
Total	5,174	5,384	5,465	5,424



Source: Market Consultant

In the LNG market, in which the Company Gas Shipping segment operates, demand is expected to be supported by continued expansion of global LNG end markets and continued infrastructure developments, which are expected to drive significant demand for LNG shipping. Vessel supply in the gas segment is expected to remain robust. However, the vast majority of vessels in the global fleet are already contracted to meet the rapidly expanding global infrastructure network. Approximately 15 per cent. of the current orderbook remains uncommitted, with many of those uncommitted vessels expected to be contracted as global production continues to increase, restricting overall supply in the market for uncommitted vessels (source: Market Consultant). The following charts illustrate the historical and projected LNG imports and LNG shipping demand:



Source: Market Consultant

In the liner shipping market, strong global economic growth and a growing demand for exports of consumer and commercial goods are set to support the continued increase in global container shipping demand. Vessel supply in the liner shipping market is heavily impacted by the current oversupply in newbuilds (which were ordered following market movements in 2020 and 2021). However, the majority of these newbuild orders were for the largest classes of container vessels, which operate primarily on the mainlane trade routes. Small- and intermediate-sized container vessels continue to see a gap between the aging existing global fleet and the current orderbook intended to replace them (source: Market Consultant).

In addition to the strong market outlook across its core segments, the Company benefits from being the partner of choice for strategic Omani oil, gas and dry commodity clients and projects. The Company believes it is strategically positioned to capitalise on the anticipated growth in the domestic production of oil, gas and LNG, as well as the advancement of green hydrogen projects and integrated industrial complexes for production of low-carbon products for the steelmaking industry.

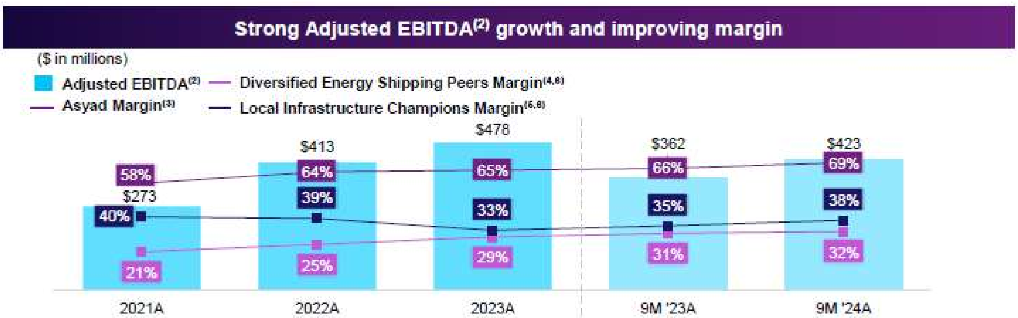
Robust revenue backlog underpinned by long-term relationships with top-tier customers, providing significant cash flow visibility

The Company benefits from long-term contracted partnerships with global leaders across commodity and trading landscapes. These partnerships underpin the Company's robust revenue backlog, significant cash flow visibility and protection through industry cycles. The Company's estimated revenue backlog as of 30 September 2024 was U.S.$1.9 billion, of which U.S.$181.0 million is attributed to the last three months of 2024, U.S.$479.0 million is attributed to 2025 and U.S.$1,272.0 million is attributed to the years 2026 through 2034. This backlog reflects the Company's long-term contracts, which typically have an initial firm period and include optional extension periods (which have historically been exercised). However, in calculating its revenue backlog, the Company takes a more conservative approach and does not include any extension period revenue backlog. As such, the Company's revenue backlog figure consists of 100 per cent. firm and committed revenue backlog.

The Company believes that its high conversion rate for extension options reflects the strength of its customer relationships, and that this has been a key factor in extending its contracts. The Company has benefited from these long-term relationships with its customers. This includes relationships of over five years (with Bahri, Clearlake Shipping, Glencore, Sinokor, Trafigura and Vitol), ten years (BP, Chevron, Shell and Sinopec) and fifteen years (Itochu, Mitsubishi, Oman LNG, OQ, Sohar Aluminium and Vale). The Company's customer base is also well diversified, with its top five customers together representing less than 35 per cent. and no customer representing more than 10 per cent. of the Company's revenue for the year ended 31 December 2023.

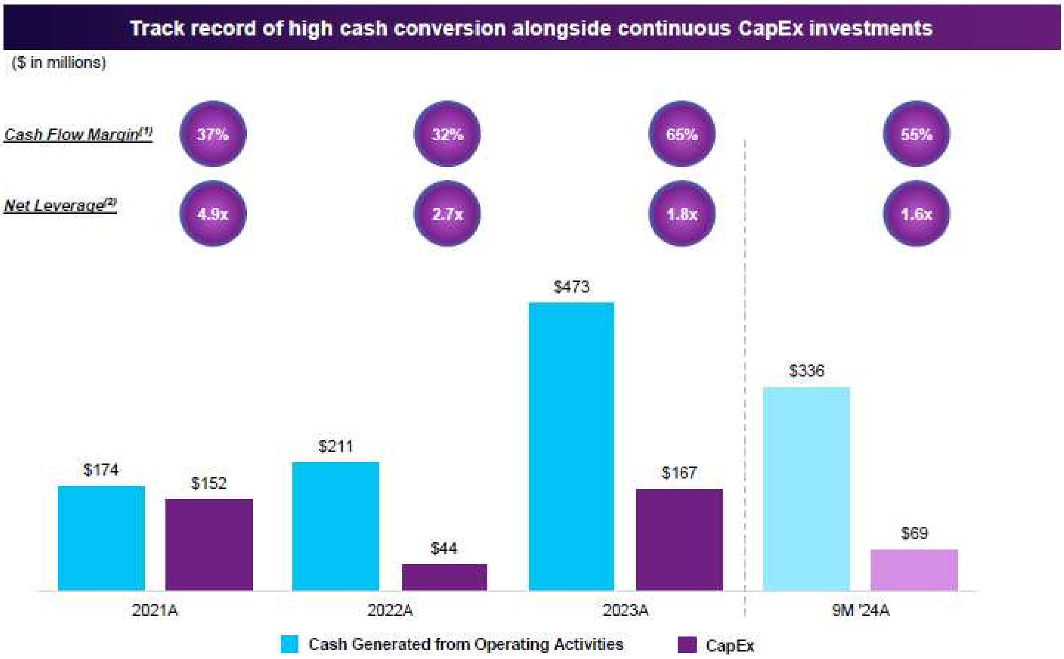
Solid, predictable and growing financial profile supported by strong margins

The Company's balance sheet strength has been sustained by its industry-leading Adjusted EBITDA margins, which have also grown during the periods under review. This growth has been primarily driven by the Company's low-cost base, operational excellence and strong track record in contract execution and timing.



(1) For a discussion of how TCE Revenue, Adjusted EBITDA and Adjusted EBITDA Margin are calculated, see "*Presentation of Financial, Industry and Market Data—Non-IFRS Information and Certain Other Financial and Operational Data—Non-IFRS Information*" and "*Chapter XIII—Selected Historical Financial, Operating and Other Information—Other Financial and Operational Data*".

As illustrated in the chart below, the Company has a track record of high cash conversion alongside continuous capital expenditure investments. It has also consistently delivered strong returns on investment from its highly strategic capital expenditure programs. The Company has historically maintained a positive cash position with strong cash flow margins, allowing for the ability to self-finance its operating and capital needs. Its consistent progress in optimising and improving its leverage profile is supported by strong lender relationships and a favourable cost of debt.



(1) For a discussion of how Cash Flow Margin and Net Leverage are calculated, see "*Presentation of Financial, Industry and Market Data—Non-IFRS Information and Certain Other Financial and Operational Data—Non-IFRS Information*" and "*Chapter XIII—Selected Historical Financial, Operating and Other Information—Other Financial and Operational Data*".

Clear growth strategy to develop in priority segments

Since its establishment, the Company has continuously assessed opportunities to optimise, diversify and grow its fleet through opportunistic newbuild programs or quality, second-hand vessel acquisitions. This history of delivering value and growth through its fleet and market expansion strategy, together with the provision of innovative services and a focus on safety, has helped the Company achieve a strong position in local markets and has supported the development of accretive long-term employment partnerships.

For example, beginning in 2007, the Company began to diversify its fleet from its historical focus on LNG vessels to crude and product tankers. In 2011, the Company began to operate dry bulk carriers as well as gas, crude and product tankers. The Company has opportunistically pursued acquisitions and partnerships across various segments since then, including a partnership with Shell in 2015, which added ten medium range product carriers to the fleet, and the acquisition of seven additional dry bulk carriers over 2017, 2018 and 2019. The Company plans to invest between U.S.$2.3 billion and U.S.$2.7 billion in its fleet in the medium-term in order support its growth initiatives and believes it is well-positioned to capitalise on evolving market dynamics with a strong commitment to sustainable growth, profitability and shareholder value.

Highly qualified management team backed by an experienced sovereign shareholder

The Company has a highly qualified management team with significant industry experience and a track record of delivering on projects. The Company's management has leveraged this experience in order to develop a deep understanding of local, regional and international market dynamics and to maintain strong relationships with key internal and external stakeholders. The management team and the Company also benefit from the strategic oversight, support and insights on upcoming Omani projects provided by both OIA and the Asyad Group, with Asyad Group being a key Omani infrastructure owner. With OIA as a government-backed shareholder, the Company benefits from OIA's ecosystem and is considered the preferred partner of choice in relation to any shipping requirements of OIA sister companies.

Driving and delivering on ESG initiatives to secure competitive advantages and strengthen market positioning

The Company is focused on strong environmental, health and safety standards that align with global sustainability goals. Consistent with this focus on environmental protection, the Company is working in line with Oman's pledge to reach net zero by 2050. In 2023, the Company saw a 2 per cent. reduction in CII year over year and recorded zero spill incidents. The Company has also maintained its focus on health and safety, with zero lost time due to injury in 2023.

The Company has made significant positive contribution to Omani society, with U.S.$702 million in economic value distributed (including operating costs, employee wages and benefits, payments to providers of capital and payments to the Omani government) in 2022. The Company has a quantifiable impact on the national economy through job creation, upscaling Omani talent and an in-country value contribution of approximately U.S.$27.5 million.

The ESG strategy of the Company is overseen by an ESG committee and approved by the Company's Board of Directors. The overall ESG strategy is further supported by the Company's Code of Conduct and Business Ethics, which is signed by all employees.

Strategy

The Company's strategies include:

Capital Expenditure: The Company's strategy relies in part on its robust capital expenditure programme, which is focused on the following: (i) fleet renewal to maintain a younger fleet, (ii) growth investments to capture growth opportunities in the market, and (iii) diversification of its vessel portfolio based on the outlook for the Crude Shipping, Dry Bulk Shipping and Liner Shipping segments.

- *Fleet Renewal*: The Company focuses on maintaining a younger fleet for purposes of increasing operational efficiency and achieving its ESG targets. In addition, the Company has completed and plans for the strategic sales of select assets in order to capitalise on market peaks and support its cash flow during downturns. Modernisation programmes will replace older vessels with younger, more efficient vessels which will yield higher returns, drive ESG gains and better position the Company in the long-term. Aging vessels can be sold as compelling market opportunities arise in stronger market environments. Dynamic fleet management is further enabled by the Company's diversified operating footprint, as it can scale and renew its time charter contracts based upon strategic opportunities with customers and market dynamics within each of its segments.

- *Growth Investments*: The Company expects to spend between U.S.$2.3 billion and U.S.$2.7 billion on its expansion plan in the medium-term to capture growth opportunities. The Company seeks to utilise high-specification newbuild orders, equipped with the latest technology to meet environmental standards and attract premium rates and blue-chip customers. This strategy is also in line with the

Company's opportunistic approach to purchasing quality vessels on the second-hand market, where the acquisition of high-quality vessels is able to bring immediate benefits based upon contracts currently on offer and/or prevailing market conditions.

- *Diversified Portfolio*: The Company maintains a balanced approach across each of its segments to maintain the diversification of its vessels, with a particular focus on the outlook for the Crude Shipping, Dry Bulk Shipping and Liner Shipping segments. This is in part due to the direct support received in these segments from Oman's economic growth strategy.

Business Optimisation: The Company's business optimisation strategy intends to help the Company maintain its operational excellence while leveraging its existing strengths to take advantage of favourable market outlooks as they arise.

- *Leveraging Existing Strengths*: The Company has a well-established market presence and extensive experience in the maritime industry (both through the Company itself and by way of its senior management team). As part of its strategy, the Company intends to continue focusing on these existing strengths in order to maintain its strong reputation and diverse customer base across segments.
- *Market Focus*: The Company has placed an emphasis on segments with favourable market outlooks, aligning its strategic goals with internal forecasts and broker market insights. In particular, the Company has the potential to increase its presence through strategic partnerships, digital transformation initiatives and government support. It intends to remain the Omani partner of choice, including by expanding its logistics and supply chain service offerings, as it sees opportunities for these services increase.
- *Charter-In Strategy*: Tailoring short-term and long-term charter-in strategies to operational requirements has remained a priority for the Company. By leveraging historical trends and time charter contracts, the Company intends to position itself to deliver optimal EBITDA margins. Where advantageous based on market conditions or for short-term needs, the Company aims to limit capital expenditure by chartering-in vessels, thereby enhancing its operating and financial leverage. As the number of chartered-in vessels can be changed more quickly than owned or co-owned vessels, actively managing this portion of the fleet allows the Company to manage its market exposure and take advantage of any favourable opportunities.

New Loan / Refinancing Opportunities: The Company plans to leverage vessels with higher loan-to-value ratios or unencumbered assets in order to improve its balance sheet strength and optimise asset utilisation. The Company's management regularly explores new loan and refinancing opportunities to ensure it is capturing those which are favourable to the Company, thereby also supporting its strategic investments and capital expenditure strategies.

Debt Strategy for Tax Benefits: The Company intends to continue aligning its debt with the strategies of its main shareholder, the Asyad Group, in order to maximise tax benefits and utilise synergies in financial planning where they exist between the two organisations. Aligning its debt strategy in this way is also intended to improve cash flow management by the Company, allowing it to remain responsive to any market changes and opportunities.

Enhancing Authority: The Company aims to improve its operational efficiency. By implementing best practices that ensure that decision-making processes are efficient and effective, the Company hopes to streamline its operations and, as a result, reduce its operating costs. The Company intends to optimise its vessel utilisation by improving the speed at which it makes decisions regarding vessel acquisitions and sales, charter-in and charter-out contracts, vessel leasing and spot-market operations.

Assessing Establishment of Segment-Specific Companies: The Company's ability to create individual companies for each operational segment supports its ability to increase operational focus and efficiency. This approach also allows the Company to create tailored strategies that address the unique challenges and opportunities within each of its segments. In addition, this approach helps to facilitate capital gains in potential future divestments by making any future strategic realignment simpler to execute.

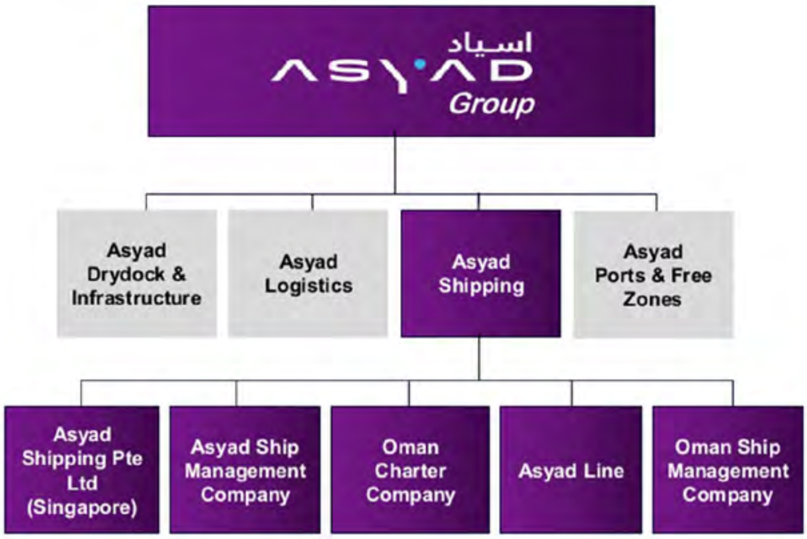
Organisational Structure

The Company is a holding company and its various subsidiaries conduct all of the Group's operations and own all of the Group's operating assets. In line with established international shipping practice, most of the Group's vessels are chartered, owned and financed by the vessel-holding companies of the Group's intermediate holding companies, Oman Ship Management Company SAOC, Asyad Line LLC and Asyad Shipping Pte Ltd (Singapore).

When a vessel is chartered to one of the Company's customers, the charter contract is entered into directly with the customer by the relevant vessel-holding company, and the resulting cash flows run through that subsidiary.

Part of the Group's existing indebtedness is incurred by the vessel-holding companies on a non- or limited-recourse basis or with guarantees provided by the Company and is secured by mortgages over certain of the Group's vessels and pledges of the vessel holding companies' shares. Ship management services for the Group's vessels are primarily provided by Oman Charter Company SAOC and dry docking repair services for the Group's vessels are primarily provided by a subsidiary of OSMC.

The following chart provides a simplified illustration of the Company's organisational structure.



Revenue Backlog

The Company considers its backlog to be an important performance measure and accordingly monitors it continuously and reports it periodically. Backlog is not a measurement of financial performance under IFRS and should not be considered as an alternative to other indicators of the Company's operating performance, cash flows or any other measure of performance derived in accordance with IFRS. Backlog is also not a guarantee of future revenue and not an indicator of operating profit, cash generation or future liquidity.

The Company's backlog consists of the total estimated revenue attributable to the nominal contracted amounts of the uncompleted portion of its vessel charter contracts, based on the remaining contract period (excluding planned drydock days) and day rates specified in each contract. The Company believes that its backlog is conservatively calculated given that it does not include extensions, amounts attributable to the reimbursement of expenses incurred on behalf of a customer, upfront payments, mobilisation fees or other revenue apart from that attributable to day rates from the uncompleted portion of vessel charter contracts. The Company's backlog assumes that day rates applied are as contracted during the entire term, and its relevant contracts will not be renegotiated on less favourable terms, or terminated prior to their contractual maturity dates. The Company's backlog also assumes that it will perform all of its contractual obligations. In addition, the Company's backlog figures assume a 100 per cent. utilisation rate (excluding planned drydock days).

Backlog only includes the future revenue attributable to signed contracts. The Company also has orders from customers in the form of letters of intent or other non-binding commitments, which are not counted in its backlog. When work advances on its contracts, the Company recognises revenue in accordance with its revenue recognition policies and no longer accounts for the relevant amounts within its backlog.

The Company estimates its total revenue backlog to be U.S.$1.9 billion, of which U.S.$181.0 million is expected to be realised in the last three months of 2024, U.S.$479.0 million is expected to be realised in 2025 and U.S.$1,272.0 million is expected to be realised from 2026 to 2034. However, backlog does not provide a precise indication of the time period over which the Company is contractually entitled to recognise revenue or receive cash, and there can be no assurance that revenue will be recognised or cash received by it in the time frames anticipated, or at all. Expectations expressed in this Prospectus that a portion of backlog will be realised in any particular year are based on scheduled timings as specified in the relevant contracts.

The Company's backlog is reported in U.S. Dollars and primarily consists of its long-term time charter contracts and contracts of affreightment in its Gas Shipping, Crude Shipping and Dry Bulk Shipping segments.

Operations

The Company offers shipping solutions (through its own vessels and chartered-in vessels) as well as advanced commercial and ship management services. The Company operates through five business segments, (i) Crude Shipping, (ii) Products Shipping, (iii) Dry Bulk Shipping, (iv) Gas Shipping and (v) Liner Shipping. The Company's large, diversified fleet and presence in multiple segments allows it to navigate through different business cycles and supports the stability of its operations.

Crude Shipping

The Company has been transporting crude oil since 2008. As at 30 September 2024, the Crude Shipping fleet consisted of 12 VLCCs, four Suezmax vessels and two Aframax vessels, 12 of which were owned and six were chartered-in, with a total capacity of 4,571,725 DWT. The Crude Shipping fleet also has four VLCCs under order. The table below sets out certain information regarding the Company's crude tankers as at 30 September 2024:

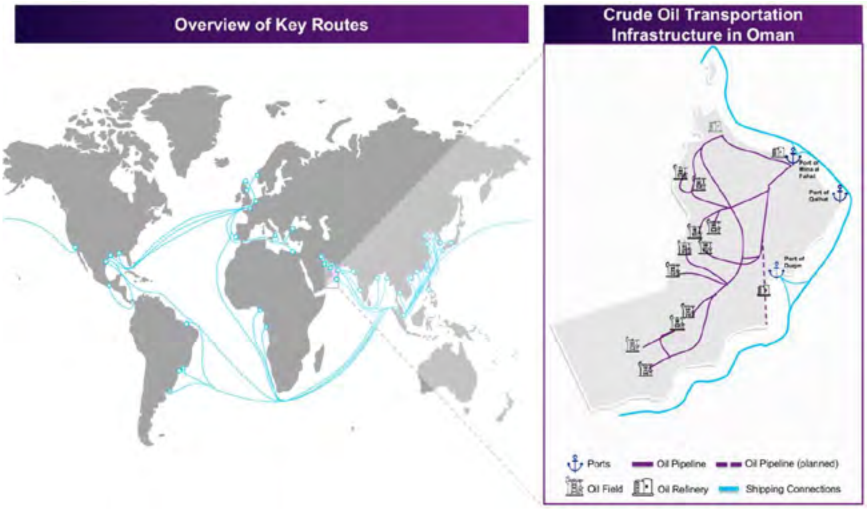
Vessel name	Capacity (DWT)	Vessel type	Ownership (%) / Charter-In Term (Expiry Year) [1]	Year built	Flag
Owned					
Saiq	299,999	VLCC	100	2011	Marshall Islands

Vessel name	Capacity (DWT)	Vessel type	Ownership (%) / Charter-In Term (Expiry Year) [(1)]	Year built	Flag
Owned					
Samail	302,845	VLCC	100	2011	Panama
Seeb	319,439	VLCC	100	2011	Malta
Daba	316,373	VLCC	100	2012	Marshall Islands
As Suwayq	319,478	VLCC	100	2012	Marshall Islands
Habrut	319,439	VLCC	100	2012	Marshall Islands
Izki	319,439	VLCC	100	2012	Marshall Islands
Bukha	320,000	VLCC	100	2012	Marshall Islands
Taqah	317,000	VLCC	100	2012	Marshall Islands
Sur	299,997	VLCC	100	2020	Marshall Islands
Bahla	299,997	VLCC	100	2020	Marshall Islands
Dhalkut	299,997	VLCC	100	2021	Marshall Islands
Chartered-in					
Barbarosa	149,999	Suezmax	2025	2008	Libya
Al Agaila	149,979	Suezmax	2025	2008	Libya
Nordic Hunter	149,999	Suezmax	2028	2022	Liberia
Nordic Harrier	157,095	Suezmax	2028	2022	Liberia
Ebn Hawkel	112,002	Aframax	2027	2021	Malta
Al Haya	118,648	Aframax	2026	2023	Liberia

Note:

(1) In the case of owned or co-owned vessels, "Ownership (%)" represents the Company's percentage ownership in vessel owning company. In the case of chartered-in vessels, "Charter-In Term (Expiry Year)" represents the year of expiry.

The Company operates a diversified network of routes covering global destinations, facilitating worldwide trades and connecting key international crude oil loading terminals, through its fleet which covers long-, medium- and short-term voyages in the Arabian Gulf, West Africa, South America and the United States to major offtake terminals in Asia, Europe and the United States. In addition, the Company handles crude oil exports from Omani ports as well as crude oil imports into Omani refineries (including Kuwaiti crude oil through one of its joint ventures). The following maps illustrate the Company's current vessel routes for the Crude Shipping segment:



The average age of the owned, co-owned and chartered-in vessels in this segment was seven years as at 30 September 2024 (including vessels under order). The average remaining term of the Company's crude oil transportation contracts (excluding the ordered vessels) was two years as at 30 September 2024. The total revenue backlog for the Crude Shipping segment was U.S.$239.0 million as at 30 September 2024. The Crude Shipping segment represented 43 per cent. of the Company's property, vessels and equipment as at 31 December 2023.

The following table sets out key performance measures for the Crude Shipping segment as at and for the years ended 31 December 2021, 2022 and 2023 and the nine months ended 30 September 2023 and 2024:

	As at and for the year ended 31 December			**As at and for the nine months ended 30 September**	
	2021	**2022**	**2023**	**2023**	**2024**
Number of vessels[1]	18	20	18	18	18
Fleet utilisation rate[2] (*%*)	91.4	87.9	98.2	99.9	98.9
TCE Revenue[3] (*U.S.$ millions*)..........................	102.1	165.3	243.7	186.8	171.2
TCE Rate[3] (*U.S.$/day*).......................................	12,627	25,832	37,552	33,015	39,391
EBITDA[3] (*U.S.$ millions*)..................................	44.6	93.0	243.1[4]	152.5	125.6

Notes:

(1) Excluding vessels under order.

(2) Fleet utilisation is calculated as 365 less the number of days in drydock, divided by 365.

(3) For a discussion of how TCE Revenue, TCE Rate and EBITDA are calculated, see "*Presentation of Financial, Industry and Market Data—Non-IFRS Information and Certain Other Financial and Operational Data—Non-IFRS Information*" and "*Chapter XIII—Selected Historical Financial, Operating and Other Information—Other Financial and Operational Data*".

(4) U.S.$46.9 million of EBITDA for the year ended 31 December 2023 was the result of a one-off gain on the sale of three vessels.

Fleet Development

Dependent on market conditions, the Company expects that it will, as part of its fleet renewal programme, phase out several of its oldest VLCCs by the end of 2026. The Company has therefore ordered four new VLCCs for delivery in 2026 and 2027, at an aggregate cost of U.S.$520.0 million. The capacity of each new VLCC will be 300,000 DWT. These VLCCs are dual-fuel ready and will be of the highest currently available specifications, including shaft generators, thereby reducing the vessels' water resistance and consequently their energy use, as well as improving their fuel efficiency.

The Company expects that two of the VLCCs will be chartered pursuant to long-term charter contracts and two will be operated on the spot charter market to keep the balance between securing stable contracted cashflows and managing exposure to market rates in the event of positive industry dynamics. The Company is exploring further options to expand its VLCC and Suezmax fleet by way of strategic secondhand purchases and additional newbuild orders.

Competition

Competition for charters in the crude oil tanker market is intense and based on the price, location, size, age, bunker consumption, condition and acceptability of the vessel, as well as the reputation of the vessel's operator. The Company's competition in each of the size classes in which it competes is also affected by the availability of other size vessels that compete in that market, as well as the price per barrel of crude oil. The Company's key competitors include CMB.TECH, DHT, Frontline and International Seaways.

Customers

The Company transports crude oil pursuant to shipping arrangements that have historically comprised a mix of time charter contracts and spot charter arrangements. Of the Company's 12 VLCCs, nine are on long-term (two to six years) time charter contracts and three are operated on the spot charter market for terms that are typically less than three months in duration. All of the VLCC time charter contracts have extension options ranging from one to three years. Of the Company's four Suezmax vessels, two are on short-term (12 months) time charter contracts and two are on long-term (three years) time charter contracts. The long-term time charter contracts have one- to two-year extension options. Both of the Company's Aframax vessels are on long-term (two year) time charter contracts, one of which is subject to a one-year extension option.

The Crude Shipping segment's customers primarily comprise major international oil companies and refineries, including Shell, BP, ExxonMobil, Chevron, Petro Chemicals, Sinopec, GS Caltex, PTT, Glassford and Hengli, as well as other oil traders and national oil companies, trading houses and ship owners, including Reliance Industries Limited, Oman Refineries, Trafigura, Vitol and Sinokor.

The Company is a critical partner in servicing crude oil transportation needs for key projects, including Omani crude exports and crude imports to Omani refineries under joint ventures, such as Kuwaiti crude imports. Additionally, the Company maintains a long-term COA with Shell, supporting major crude supply chains to global markets.

The table below summarises the chartering arrangements applicable to each of the Company's operating vessels in the Crude Shipping segment as at 30 September 2024:

Vessel name	Type of Charter	Charter start	Charter expiration	Term	Extension option
Saiq	Spot market	—	—	—	—
Samail	Spot market	—	—	—	—
Seeb	Spot market	—	—	—	—
Daba	Long term Time charter	October 2022	October 2024	3 years	1 years
As Suwayq	Long term Time charter	February 2023	February 2026	3 years	2 years
Habrut	Long term Time charter	February 2023	February 2026	3 years	2 years

Vessel name	Type of Charter	Charter start	Charter expiration	Term	Extension option
Izki	Long term Time charter	December 2022	December 2025	3 years	2 years
Bukha	Long term Time charter	March 2023	March 2026	3 years	3 years
Taqah	Long term Time charter	April 2023	April 2026	3 years	2 years
Sur	Long term Time charter	June 2022	June 2025	3 years	2 years
Bahla	Long term Time charter	July 2022	July 2027	5 years	2 years
Dhalkut	Long term Time charter	July 2022	July 2027	5 years	2 years
Nordic Hunter	Long term Time charter	July 2022	July 2028	6 years	2 years
Nordic Harrier	Long term Time charter	December 2022	December 2028	6 years	2 years
Barbarosa	Short term Time charter	March 2024	March 2025	1 year	N/A
Al Agaila	Short term Time charter	June 2024	June 2025	1 year	N/A
Al Haya	Long term Time charter	July 2023	January 2026	2.5 year	1 year
Ebn Hawkel	Long term Time charter	June 2024	June 2027	3 years	1 year

Products Shipping

The Products Shipping segment provides transport services for liquid cargos comprising clean petroleum products and chemical products, including diesel, jet and mogas fuel, naphtha, methanol and ethanol. The Company began transporting methanol and other clean petroleum products in 2008. As at 30 September 2024, the Products Shipping fleet consisted of 35 products tankers, with a total capacity of 1,652,778 DWT. The table below sets out certain information regarding the Company's products tankers as at 30 September 2024:

Vessel name	Capacity (DWT)	Vessel type	Ownership (%) / Charter-In Term (Expiry Year) [(1)]	Year built	Flag
Owned					
Matrah	51,021	Methanol carrier	100	2008	Panama
Al Amerat	51,022	Methanol carrier	100	2008	Panama
Masirah	12,885	Small chemical tanker	100	2007	Panama
Muscat Silver	45,923	MR	100	2015	Marshall Islands
Rustaq Silver	45,923	MR	100	2015	Marshall Islands
Nakhal Silver	45,923	MR	100	2016	Marshall Islands

Vessel name	Capacity (DWT)	Vessel type	Ownership (%) / Charter-In Term (Expiry Year) [(1)]	Year built	Flag
Mahadah Silver	45,923	MR	100	2016	Marshall Islands
Muhut Silver	45,923	MR	100	2016	Marshall Islands
Yankul Silver	45,923	MR	100	2016	Marshall Islands
Dank Silver	45,923	MR	100	2016	Marshall Islands
Madha Silver	45,923	MR	100	2016	Marshall Islands
Sadah Silver	45,923	MR	100	2016	Marshall Islands
Khasab Silver	45,923	MR	100	2016	Marshall Islands
Co-owned					
Haima	110,077	LR2 tanker	50[(2)]	2009	Panama
Raysut	104,995	LR2 tanker	50[(2)]	2009	Panama
Chartered-in					
FPMC26	49,999	MR	2025	2011	Liberia
Songa Diamond	17,500	Small Tanker	2025	2009	Marshall Islands
Songa Topaz	17,500	Small Tanker	2025	2009	Marshall Islands
Kanala	34,188	MR	2025	2010	Malta
Celsius Portsmouth	50,300	MR	2025	2021	Marshall Islands
Nord Himalaya	49,936	MR	2024	2011	Denmark
Nord Miyabi	49,996	MR	2025	2022	Marshall Islands
Alpine Link	50,208	MR	2024	2010	Marshall Islands
Green Sky	49,426	MR	2025	2014	Liberia
Bungo Crown	49,994	MR	2024	2022	Denmark
Venture III	49,999	MR	2029	2021	Singapore
Nord Elegance	44,997	MR	2024	2020	Panama
Angela Glory	49,903	MR	2025	2023	Marshall Islands
Jessie Glory	49,903	MR	2025	2024	Marshall Islands
Clearocean Music	49,703	MR	2025	2018	Liberia
Nord Vignale	49,999	MR	2027	2024	Panama
Nord Ventura	49,999	MR	2021	2021	Panama
MT Valisko	49,999	MR	2030	2024	—
Kathi Commercial	49,999	MR	2030	2024	—

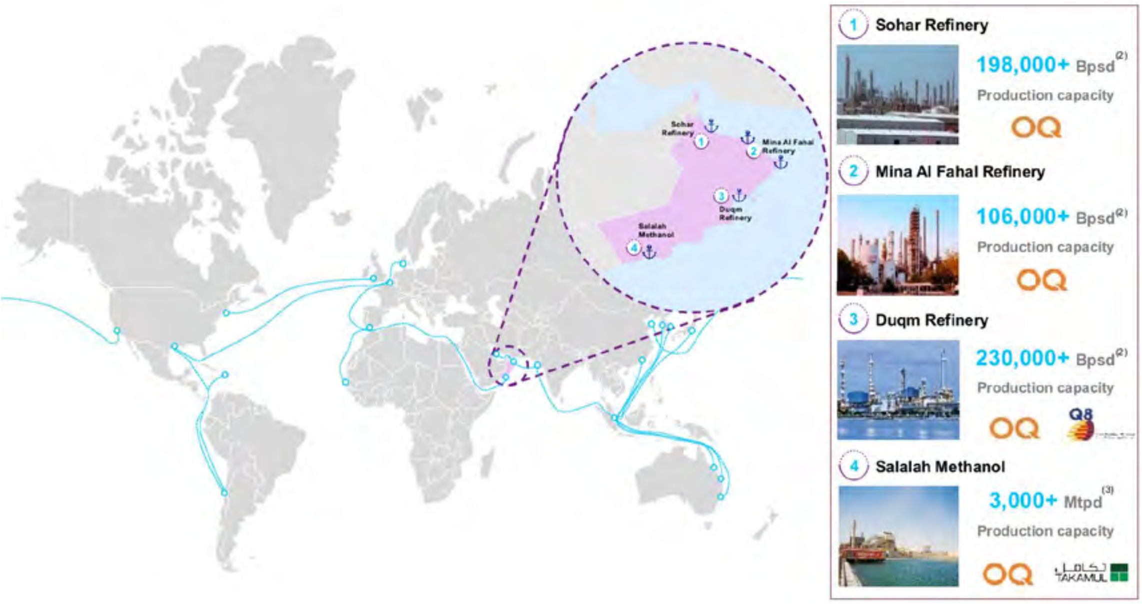
Notes:

(1) In the case of owned or co-owned vessels, "Ownership (%)" represents the Company's percentage ownership in vessel owning company. In the case of chartered-in vessels, "Charter-In Term (Expiry Year)" represents the year of expiry.

(2) The remaining ownership interest is held by MOL.

The Company operates a global network linking key international clean petroleum and chemical product loading terminals in Asia, the Arabian Gulf, the United States and Europe to major offtake terminals in Australia, Asia, the United States and Europe. With extensive route coverage, including shipments from the

Arabian Gulf to the Far East, Salalah to Europe and the Far East, as well as domestic and global operations, the Company is well-positioned to serve a broad customer and project base. The following map illustrates the Company's current vessel routes for the Products Shipping segment:



The average age of the vessels in the Products Shipping segment was eight years as at 30 September 2024, with more than 70 per cent. of the vessels in this segment represented by young medium range tankers. The remaining portion of the vessels in this segment include long range tankers, methanol carriers, small tankers and small chemical tankers ranging from 15 to 17 years old. The average remaining term of the Company's products transportation contracts (excluding the ordered vessels) was 18 months as at 30 September 2024. The total revenue backlog for the Products Shipping segment was U.S.$169.0 million as at 30 September 2024. The Products Shipping segment represented 17 per cent. of the Company's property, vessels and equipment as at 31 December 2023.

The following table sets out key performance measures for the Products Shipping segment as at and for the years ended 31 December 2021, 2022 and 2023 and the nine months ended 30 September 2023 and 2024:

	As at and for the year ended 31 December			**As at and for the nine months ended 30 September**	
	2021	**2022**	**2023**	**2023**	**2024**
Number of vessels[1]	20	25	29	32	34
Fleet utilisation rate[2] *(%)*	97.6	99.7	98.8	99.9	100.0
TCE Revenue[3] *(U.S.$ millions)*	73.9	128.3	199.9	144.1	191.0
TCE Rate[3] *(U.S.$/day)*	15,896	17,077	18,842	26,862	20,569
EBITDA[3] *(U.S.$ millions)*	38.3	56.3	151.2	108.2	158.8

Notes:

(1) Excluding vessels under order.

(2) Fleet utilisation is calculated as 365 less the number of days in drydock, divided by 365.

(3) For a discussion of how TCE Revenue, TCE Rate and EBITDA are calculated, see "*Presentation of Financial, Industry and Market Data—Non-IFRS Information and Certain Other Financial and Operational Data—Non-IFRS Information*" and "*Chapter XIII—Selected Historical Financial, Operating and Other Information—Other Financial and Operational Data*".

Competition

Competition for charters in the products tanker market is intense and based on the price, location, size, age, condition and acceptability of the vessel (including which products have recently been carried by the vessel) and the reputation of the vessel's operator. The Company's competition in each of the size classes in which it competes is also affected by the availability of other size vessels that compete in that market. The Company's competitors in this segment consist of international shipping companies, such as Norden, Torm, Scorpio, International Seaways and Maersk Tankers.

Customers

The Products Shipping vessels typically operate pursuant to time charter contracts. Of the Company's 34 products tankers, 33 are on time charter contracts and one is operated on the spot charter market. The time charter contracts range from short-term (less three months) to medium-term (between three months and 12 months) to long-term (more than 12 months to as long as 20 years). Ten of the Company's products tankers have extension options ranging from three to five years.

The Company's customers in this segment include major international oil companies, such as Shell, BP, ExxonMobil, Chevron and Sinopec, as well as other oil traders and national companies and trading houses, including Reliance Industries Limited, OQ Refinery, Trafigura, Clearlake, Petronas, OQ Trading Limited, Repsol and Vitol.

The Company operates two ships exporting methanol for OQ at Salalah under long-term time charter contracts and also transports NGL condensate from Oman LNG to the Sohar refinery using a small chemical tanker. Additionally, it deploys two small product tankers to transport clean petroleum products from the Sohar refinery to the Port of Salalah and also supports key refinery projects, including Sohar Refinery, Mina Al Fahal Refinery and Duqm Refinery, further strengthening its position in Oman's energy value chain.

The table below summarises the chartering arrangements applicable to each of the Company's operating vessels in the Products Shipping segment as at 30 September 2024:

Vessel name	Customer / Project	Charter start	Charter expiration	Term	Extension option
Matrah	OQT	October 2010	October 2025	15 years	none
Al Amerat	OQT	August 2010	August 2025	15 years	none
Masirah	OQ	March 2007	March 2027	20 years	none
Muscat Silver	Shell	November 2015	December 2025	7 years	1+1+1
Rustaq Silver	Shell	December 2015	January 2026	7 years	1+1+1+1+1
Nakhal Silver	Shell	June 2016	February 2026	7 years	1+1+1
Mahadah Silver	Shell	January 2016	April 2025	7 years	1+1+1+1+1
Muhut Silver	Shell	February 2016	March 2025	7 years	1+1+1
Yankul Silver	Shell	July 2016	September 2025	7 years	1+1+1+1+1
Dank Silver	Shell	August 2016	October 2025	7 years	1+1+1

Vessel name	Customer / Project	Charter start	Charter expiration	Term	Extension option
Madha Silver	Shell	August 2016	August 2025	7 years	1+1+1+1+1
Sadah Silver	Shell	October 2016	December 2025	7 years	1+1+1
Khasab Silver	Shell	November 2016	January 2026	7 years	1+1+1+1+1
Haima	Reliance	September 2023	September 2026	3 years	None
Raysut	ADMIC	October 2023	October 2025	2 years	1 year
FPMC26	Unipec	August 2024	January 2025	4 months	1 month
Songa Topaz	OQ	February 2023	February 2025	2 years	1 year
Songa Diamond	OQ	February 2023	February 2025	2 years	1 year
Kanala	Repsol	August 2023	May 2025	21 months	None
Celsius Portsmouth	ExxonMobil	February 2024	February 2025	1 year	None
Nord Himalaya	Novum Energy	August 2024	November 2024	3 months	1 month
Nord Miyabi	Cargill	June 2024	April 2025	10 months	None
Alpine Link	Vitol	April 2024	October 2024	6 months	2 months
Green Sky	Mercuria	September 2024	May 2025	8 months	None
Venture III	Spot Charter Market	—	—	—	—
Bungo Crown	PETCO	December 2023	December 2024	1 year	+/- 15 days
Nord Elegance	Cargill	May 2024	November 2024	6 months	4 months
Angela Glory	ExxonMobil	December 2023	June 2025	18 months	None
Jessie Glory	ExxonMobil	March 2024	September 2025	18 months	None
Clearocean Music	Norden	May 2024	November 2025	18 months	None
Nord Ventura	Weco	September 2024	November 2024	2 months	2 months
Nord Vignale	Petronas	December 2024	December 2026	2 years	1 month
MT Valisko	—	March 2025	March 2030	5 years	—
Kathi Commercial	—	March 2025	March 2030	5 years	—

Dry Bulk Shipping

The Dry Bulk Shipping segment provides transport services for iron ore, aluminium, grain, coal, minerals and fertilizer. The Company began transporting many of these products in 2011. As at 30 September 2024, the Dry Bulk Shipping fleet consisted of four VLOCs, eight Ultramax vessels, three Supramax vessels, two Handymax vessels and one Kamsarmax vessel, with a total capacity of 2,434,842 DWT. The table below sets out certain information regarding the Company's dry bulk carriers as at 30 September 2024:

Vessel name	Capacity (DWT)	Vessel type	Ownership (%) / Charter-In Term (Expiry Year)[1]	Year built	Flag
Owned					
Liwa Max	400,315	VLOC	100	2012	Marshall Islands
Sohar Max	400,315	VLOC	100	2012	Marshall Islands
Saham Max	400,694	VLOC	100	2013	Marshall Islands
Shinas Max	400,285	VLOC	100	2013	Marshall Islands
Jabal Al Misht	63,192	Ultramax	100	2019	Marshall Islands
Jabal Shams	63,192	Ultramax	100	2019	Marshall Islands
Jabal Alkawr	63,581	Ultramax	100	2014	Marshall Islands
Jabal Samhan	63,658	Ultramax	100	2015	Marshall Islands
Jabal Harim	63,277	Ultramax	100	2017	Marshall Islands
Jabal Hafit	63,369	Ultramax	100	2017	Marshall Islands
Jabal Ar Rawdah	63,292	Ultramax	100	2016	Marshall Islands
Chartered-in					
Jewel of Shinas	55,886	Supramax	2026	2011	Panama
Jewel of Sohar	55,886	Supramax	2026	2011	Panama
MV Eastern	56,757	Supramax	2024	2012	Hong Kong
MV Melody Selmer	37,408	Handymax	2024	2013	Liberia
MV Ain Al Khasfah	82,500	Kamsarmax	2029	2024	Marshall Islands
MV Dioni Gr	34,930	Handymax	2024	2018	Marshall Islands
Norse Evolution	66,305	Ultramax	2024	2023	Singapore

Note:

(1) In the case of owned or co-owned vessels, "Ownership (%)" represents the Company's percentage ownership in vessel owning company. In the case of chartered-in vessels, "Charter-In Term (Expiry Year)" represents the year of expiry.

A growing number of Oman's metallurgical projects currently depend on the Company's modern vessels to either freight in their raw materials or ship out their refined products and finished goods. The Company's VLOCs are the largest of their kind in the world, and attest to the Company's long-term vision to support the nation's dry bulk transportation requirements.

The Company operates a global network of dry bulk shipping routes. In the case of dry bulk contracts of affreightment, the Company's vessels primarily move dry bulk goods from South America to Asia. In the case of dry bulk time charters, the Company's vessels operate globally, including in the United States, Europe and Asia. The following maps illustrate the Company's current vessel routes for the Dry Bulk Shipping segment:

The average age of the vessels in this segment was eight years as at 30 September 2024. The average remaining term of the Company's dry bulk transportation contracts was three years as at 30 September 2024. The total revenue backlog for the Dry Bulk Shipping segment was U.S.$660.0 million as at 30 September 2024. The Dry Bulk Shipping segment represented 9 per cent. of the Company's property, vessels and equipment as at 31 December 2023.

The following table sets out key performance measures for the Dry Bulk Shipping segment as at and for the years ended 31 December 2021, 2022 and 2023 and the nine months ended 30 September 2023 and 2024:

	As at and for the year ended 31 December			**As at and for the nine months ended 30 September**	
	2021	**2022**	**2023**	**2023**	**2024**
Number of vessels[(1)]	16	16	28	20	18
Fleet utilisation rate[(2)] *(%)*	99.9	92.8	96.8	99.0	100.0
TCE Revenue[(3)] *(U.S.$ millions)*..........................	139.6	162.1	140.7	105.5	106.6
TCE Rate[(3)] *(U.S.$/day)*.......................................	19,239	23,155	18,095	18,996	16,929
EBITDA[(3)] *(U.S.$ millions)*..................................	104.0	109.5	89.7	66.9	59.7

Notes:

(1) Excluding vessels under order.

(2) Fleet utilisation is calculated as 365 less the number of days in drydock, divided by 365.

(3) For a discussion of how TCE Revenue, TCE Rate and EBITDA are calculated, see "*Presentation of Financial, Industry and Market Data—Non-IFRS Information and Certain Other Financial and Operational Data—Non-IFRS Information*" and "*Chapter XIII—Selected Historical Financial, Operating and Other Information—Other Financial and Operational Data*".

Competition

Competition for charters in the dry bulk shipping market is intense and based on the price, location, size, age, condition and acceptability of the vessel (including which products have recently been carried by the vessel), as well as the reputation of the vessel's operator. The Company's competition in each of the size classes in which it competes is also affected by the availability of other size vessels that compete in that market. The Company's primary competitors in the dry bulk shipping market include both in-house shipping operators of companies and various international shipping companies, depending on the size of the vessel and the products being shipped.

Customers

The Company's dry bulk carriers operate primarily pursuant to time charter contracts and long-term contracts of affreightment. Of the Company's 18 dry bulk carriers, 11 are on time charter contracts, four are on contracts of affreightment and three are operated on the spot market. The time charter contracts range from medium-term (between five months and 12 months) to long-term (more than 12 months to up to 25 years). The vessels operated on the spot market are either chartered-out or offered for voyage charters. The four remaining dry bulk carriers are on 20-year contracts of affreightment.

The Company's customers in this segment include Vale, Sohar Aluminium, Vizag Steel, Steel Authority of India Limited and LafargeHolcim. The Company handles all of Sohar Aluminium bauxite imports from Australia under a long-term contract involving the use of two of its Supramax vessels, Jewel of Shinas and Jewel of Sohar. The Company's four VLOCs are dedicated to carry 100 per cent. of Vale Oman's iron ore imports, amounting to 9.9 million tons per year, from Brazil to Sohar under a long-term contract. The Company's Ultramax and Kamsarmax vessels are primarily chartered-out to commodity traders and other ship operators, including ADMI, Bunge, Olam, Cargill, Oldendorff and Norden.

The table below summarises the chartering arrangements applicable to each of the Company's operating vessels in the Dry Bulk Shipping segment as at 30 September 2024:

Vessel name	Customer / Project	Charter start	Charter expiration	Term	Extension option
Liwa Max	Vale	2012	August 2032	20 years	—
Sohar Max	Vale	2012	September 2032	20 years	—
Saham Max	Vale	2013	January 2033	20 years	—
Shinas Max	Vale	2013	March 2033	20 years	—
Jabal Al Misht	Dry Bulk Exp.	2019	December 2025	—	—
Jabal Shams	Dry Bulk Exp.	2019	January 2025	—	—
Jabal Alkawr	Dry Bulk Exp.	2019	February 2025	—	—
Jabal Samhan	Dry Bulk Exp.	2019	January 2025	—	—
Jabal Harim	Dry Bulk Exp.	2019	April 2025	—	—
Jabal Hafit	Dry Bulk Exp.	2019	January 2025	—	—
Jabal Ar Rawdah	Dry Bulk Exp.	2019	November 2024	—	—
Jewel of Shinas	Sohar Aluminium	2011	April 2026	15 years	—
Jewel of Sohar	Sohar Aluminium	2011	March 2027	15 years	—
MV Eastern	Spot Charter Market	2024	October 2024	—	—
MV Melody Selmer	Spot Charter Market	2024	October 2024	—	—
MV Ain Al Khasfah	Singapore Exp.	2024	July 2029	5 years	—
MV Dioni Gr	Spot Charter Market	2024	December 2024	—	—

Vessel name	Customer / Project	Charter start	Charter expiration	Term	Extension option
Norse Evolution	Sohar Aluminium & Oldendorff	May 2024	October 2024	4 months	2 months

Gas Shipping

The Company began transporting LNG in 2003 and LPG in 2009. LNG carriers carry LNG pursuant to time charter contracts, where a vessel is hired for a fixed period of time, usually between one and 20 years, and the charter rate is payable to the owner on a monthly basis at a fixed rate. As at 30 September 2024, the Gas Shipping fleet comprised six LNG carriers, one VLGC and one MGC, with a total capacity of 1,311,546 m^3. The Gas Shipping fleet also has two LNG carriers under order. The table below sets out certain information regarding the Company's gas carriers as at 30 September 2024:

Vessel name	Capacity (m^3)	Vessel type	Ownership (%) / Charter-In Term (Expiry Year)[1]	Year built	Flag
Owned					
Sohar LNG	138,000	LNG carrier	50[2]	2001	Panama
Nizwa LNG	145,000	LNG carrier	60[3]	2005	Panama
Ibri LNG	145,000	LNG carrier	80[2]	2006	Panama
Ibra LNG	145,000	LNG carrier	80[2]	2006	Panama
Salalah LNG	145,000	LNG carrier	80[2]	2005	Panama
Adam LNG	162,000	LNG carrier	100	2014	Marshall Islands
Musanah	70,000	VLGC	50[2]	2009	Panama
Chartered-in					
Waasmunster	35,000 – 40,000	MGC	2025	2014	Belgium

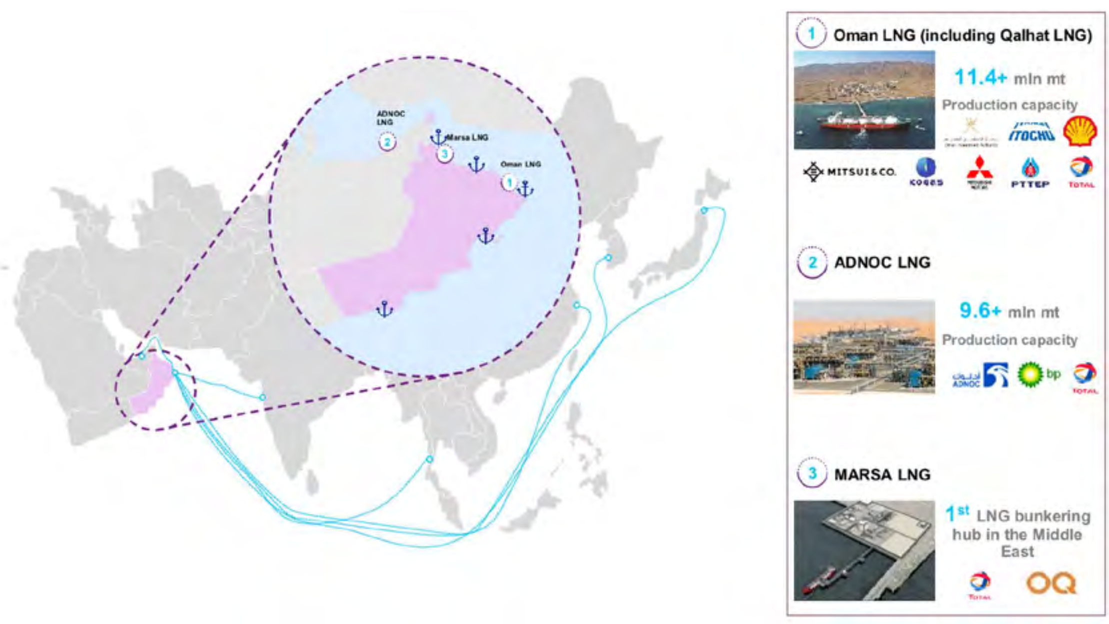
Notes:

(1) In the case of owned or co-owned vessels, "Ownership (%)" represents the Company's percentage ownership in vessel owning company. In the case of chartered-in vessels, "Charter-In Term (Expiry Year)" represents the year of expiry.

(2) The remaining ownership interest is held by MOL.

(3) The remaining ownership interests are held by MOL (20 per cent.) and Itochu Corporation (20 per cent.).

The Company's LNG carriers primarily serve Asian markets, including China, South Korea and Japan, supporting clients such as Oman LNG, ADNOC and Gunvor. The Company's VLGC ship focuses on routes connecting the Far East and North America, while its MGC vessel transports ammonia and LPG on intraregional routes and medium-haul cross-trades from Salalah to West Coast India and the Indian Ocean. The following map illustrates the Company's current vessel routes for the Gas Shipping segment:



The average age of the vessels in this segment was 13 years as at 30 September 2024. The average remaining term of the Company's Gas transportation contracts (excluding the ordered vessels) was 18 months as at 30 September 2024. The total revenue backlog for the Gas Shipping segment was U.S.$849.0 million as at 30 September 2024. The Gas Shipping segment represented 26 per cent. of the Company's property, vessels and equipment as at 31 December 2023.

The following table sets out key performance measures for the Gas Shipping segment as at and for the years ended 31 December 2021, 2022 and 2023 and the nine months ended 30 September 2023 and 2024:

	As at and for the year ended 31 December			**As at and for the nine months ended 30 September**	
	2021	**2022**	**2023**	**2023**	**2024**
Number of vessels[(1)]	7	7	8	8	8
Fleet utilisation rate[(2)] *(%)*	98.4	96.1	99.2	99.2	94.0
TCE Revenue[(3)] *(U.S.$ millions)*	95.8	110.1	132.7	99.2	97.5
LNG Carrier TCE Rate[(3)] *(U.S.$/day)*	63,961	58,979	61,685	61,685	31,829
VLGC TCE Rate[(3)] *(U.S.$/day)*	27,616	27,616	29,589	29,589	29,589
MGC TCE Rate[(3)] *(U.S.$/day)*	—	—	31,829	31,829	33,186
EBITDA[(3)] *(U.S.$ millions)*	76.2	86.5	104.4	78.9	72.9

Notes:

(1) Excluding vessels under order.

(2) Fleet utilisation is calculated as 365 less the number of days in drydock, divided by 365.

(3) For a discussion of how TCE Revenue, TCE Rate and EBITDA are calculated, see "*Presentation of Financial, Industry and Market Data—Non-IFRS Information and Certain Other Financial and Operational Data—Non-IFRS Information*" and "*Chapter XIII—Selected Historical Financial, Operating and Other Information—Other Financial and Operational Data*".

Fleet Development

The Company expects that it will, by the end of 2027, have phased out of service (either through decommissioning or sale) its steam turbine LNG carriers, Sohar LNG, Ibri LNG, Ibra LNG, Salalah LNG and

Nizwa LNG, due to their having become technologically inefficient in comparison to the newer generation of vessels favoured by customers. The Company has therefore ordered two new eco-LNG carriers that it expects to be delivered before the end of the first half of 2026 at an aggregate cost of approximately U.S.$0.5 billion. These eco-LNG carriers will have a capacity of 174,000 m^3 each and will be of the highest currently available specifications, including air lubricating systems and shaft generators which reduce the vessels' water resistance and consequently their energy usage, as well as improving their fuel efficiency.

Due to the high investment capital requirements for LNG carriers, the Company's strategy is to invest in new LNG carriers only once it has secured long-term chartering arrangements. The two LNG carriers under order will be chartered-out to Oman LNG until December 2034. The Company is exploring further options to expand its LNG fleet by way of partnership with Oman LNG and other potential customers and cargo owners.

Competition

The vessels in the Company's Gas Shipping segment compete in the LNG and LPG markets, as the case may be, principally with other international private and state-controlled energy and utilities companies, which generally operate captive fleets, and independent shipowners and operators.

Customers

LNG carriers carry LNG pursuant to time charter contracts, where a vessel is hired for a fixed period of time, usually between one and 20 years, and the charter rate is payable to the owner on a monthly basis at a fixed rate. LNG projects require significant capital expenditures and typically involve an integrated chain of dedicated facilities and cooperative activities. Accordingly, the overall success of an LNG project depends to a large extent on long range planning and coordination of project activities, including marine transportation. However, the spot and short-term time charter market has continued to expand its share of LNG shipping over recent years. The Company's LNG carriers are all operated subject to medium-term and long-term, fixed rate time charter contracts to reflect recent market dynamics and provide predictability in the Company's cash flows from these vessels. The Company's main customers for these carriers include Oman LNG, ADMIC (formerly ADNOC), Gunvor Group, Itochu Corporation and Trafigura.

A cornerstone of the Company's gas shipping operations is its partnership with Oman LNG, a flagship national project integral to Oman's energy export strategy. The Company currently supports Oman LNG's existing production trains, which export 11.4 MMTPA of LNG, with two LNG carriers contracted until the end of 2025. This support will be further strengthened by two new eco-LNG carriers, which have already been contracted for delivery in 2026. The project's future expansion includes a fourth production train, anticipated by 2029, which is expected to add 3.8 MMTPA of LNG export capacity and presents an opportunity for the Company to secure new contracts in the future. This project highlights the Company's integral role in supporting Oman LNG's expansion plans, enabling the Company to strengthen its position as a key partner in Oman's energy export strategy.

The Company's VLGC is currently on a five year time charter contract with Gyxis, under the terms of which Gyxis has in turn entered into a third-party pool arrangement. This third-party pool arrangement allows for Gyxis and the other pool participants to centrally manage their pool of vessels and optimise overall returns. The Company expects that following the end of this time charter contract in 2025, the VLGC may be sold and replaced with a newbuild VLGC.

The Company's MGC is currently on a one year time charter contract, under which the vessel is being chartered-out to OQ, which is a related party of the Company. This time charter contract has a one year extension option, after which the vessel will be returned to the original owner.

The table below summarises the chartering arrangements applicable to each of the Company's operating vessels in the Gas Shipping segment as at 30 September 2024:

Vessel name	Customer / Project	Charter start	Charter expiration	Term
Adam LNG	Gunvor	May 2021	March 2029	8 years
Ibra LNG	Qalhat LNG	August 2006	December 2025	19.5 years
Ibri LNG	Gunvor	March 2021	February 2025	4 years
Musanah	Gyxis	December 2022	June 2025	2.5 years
Nizwa LNG	Itochu Corporation	December 2005	December 2025	20 years
Salalah LNG	Qalhat LNG	December 2005	December 2025	20 years
Sohar LNG	ADMIC	September 2022	September 2025	3 years
Waasmunster	OQ	October 2024	October 2025	1 year

Liner Shipping

The Liner Shipping segment is operated through ASL (a wholly-owned subsidiary of the Company) and provides container cargo transportation services. ASL was established in 2020 to replace Oman Container Line and to expand the container shipping operations of the Company. As at 30 September 2024, the Liner Shipping fleet consisted of five container vessels, with a total capacity of 235,420 DWT. The table below sets out certain information regarding the Company's container vessels as at 30 September 2024:

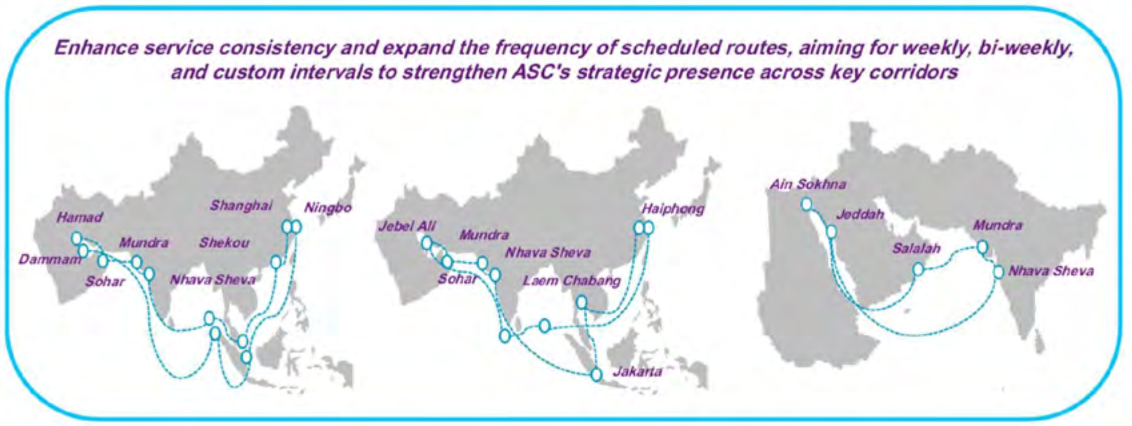
Vessel name	Capacity (TEU)	Vessel type	Ownership (%) / Charter-In Term (Expiry Year) [(1)]	Year built	Flag
Owned					
Wadi Bani Khalid	4,253	Container vessel	100	2008	Marshall Islands
Wadi Duka	3,534	Container vessel	100	2010	Marshall Islands
Chartered-in					
Stephanie C	5,466	Container vessel	2025	2014	Marshall Islands
Terataki	2,782	Container vessel	2026	2023	Marshall Islands
Gergos	2,782	Container vessel	2026	2023	Marshall Islands

Note:

(1) In the case of owned or co-owned vessels, "Ownership (%)" represents the Company's percentage ownership in vessel owning company. In the case of chartered-in vessels, "Charter-In Term (Expiry Year)" represents the year of expiry.

The Company's container vessels typically operate on a trade route basis, i.e., on predetermined, point-to-point maritime routes connecting international container ports in the GCC, India, China, the Red Sea and Southeast Asia, thereby offering container transport solutions to main-line operators, non-vessel operating common carriers, beneficial cargo owners and forwarders. Customers may use their own, shipper owned containers

("**SOC**") or they may use the Company's carrier owned containers ("**COC**"). The following maps illustrate the Company's current trade routes for the Liner Shipping segment:



The average age of the vessels in this segment was nine years as at 30 September 2024. The average remaining term of the Company's Liner Shipping contracts was 14 months as at 30 September 2024. The total revenue backlog for the Liner Shipping segment was U.S.$15.0 million as at 30 September 2023. The Liner Shipping segment represented 5 per cent. of the Company's property, vessels and equipment as at 31 December 2023.

The following table sets out key performance measures for the Liner Shipping segment as at and for the years ended 31 December 2021, 2022 and 2023 and the nine months ended 30 September 2023 and 2024:

	As at and for the year ended 31 December			As at and for the nine months ended 30 September	
	2021	2022	2023	2023	2024
Number of vessels[1]	4	5	9	9	5
Fleet utilisation rate[2] (*%*)	100.0	100.0	91.0	85.0	100.0
TCE Revenue[3] (*U.S.$ millions*)	55.3	79.9	11.7	13.5	43.8
COC Average Rate (*U.S.$/TEU*)	842	1,079	688	705	1,387
SOC Average Rate (*U.S.$/TEU*)	154	267	221	220	332
EBITDA[3] (*U.S.$ millions*)	35.6	78.5	(68.3)	(60.8)	35.5

Notes:

(1) Excluding vessels under order.

(2) The fleet utilisation rate for the Liner Shipping segment is calculated based on the vessels' description at 14 metric tonnes homogenous/TEU and the average cargo weight in the trade lane on a roundtrip basis.

(3) For a discussion of how TCE Revenue and EBITDA are calculated, see "*Presentation of Financial, Industry and Market Data—Non-IFRS Information and Certain Other Financial and Operational Data—Non-IFRS Information*" and "*Chapter XIII—Selected Historical Financial, Operating and Other Information—Other Financial and Operational Data*".

Competition

Competition in the liner market is affected by pricing, the location, size, age, condition and acceptability of the vessel and container equipment, and the reputation of the vessel's operator. The Company's competition in each of the size classes in which it competes is also affected by the availability of other size vessels and the availability of equipment in that market. The Company's competitors in this segment include, amongst others, Mærsk, MSC, Hapag-Lloyd, COSCO, CMA CGM, ONE, YML, Sea-Lead, CU Lines, ESL, GSF, Unifeeder and X-Press Feeders.

Customers

The Company's fills its container vessels through ship agencies, which aggregate container cargo to be transported on a given vessel's operating trade route.

The Company operates through third party agents and vessel sharing agreements ("VSAs") to fill its container ships, offering container transport solutions to MLOs, NVOCCs, BCOs and freight forwarders. With a diverse customer base of over 4,500 clients, the Company supports key operations across major Asian ports such as Sohar, Mundra, Shanghai, and Jebel Ali. Supported by a fleet of over 22,000 containers, the Company delivers reliable and efficient connectivity across strategic global trade corridors to meet the evolving needs of its customers.

The table below summarises the chartering arrangement applicable to the Company's chartered-out container vessel as at 30 September 2024:

Vessel name	Customer / Project	Charter start	Charter expiration	Term	Extension option
Wadi Bani Khalid	ONE	June 2024	June 2025	10-14 months	—

Fleet and Portfolio Development

The Company operates a diversified fleet of 89 vessels, of which 47 are owned or co-owned, 36 are chartered-in and 6 are currently under order, with a total capacity of 9.6 million DWT as at 30 September 2024 to cater to customers' needs and requirements, including a mix of LNG carriers, a VLGC, an MGC, VLCCs, Suezmax vessels, Aframax vessels, products tankers, VLOCs, Ultramax vessels, Supramax vessels, a Handymax vessel and Kamsarmax vessels, as well as various container vessels.

The following table sets out an overview by business segment of the Company's owned/co-owned and chartered-in fleet as at 30 September 2024:

	Crude Shipping	Products Shipping	Dry Bulk Shipping	Gas Shipping	Liner Shipping
Owned and co-owned vessels (+orderbook)[(1)]	12 (+4)	15	11	7 (+2)	3
Chartered-in vessels	6	19	7	1	2
Average age	7 years	8 years	9 years	13 years	8 years
Vessel type	VLCCs, Aframax vessels, Suezmax vessels	Products tankers	VLOCs, Ultramax vessels, Supramax vessels, Handymax vessel, Kamsarmax vessels	LNG carriers, VLGC, MGC	Container vessels
Capacity (*DWT*)	4,571,725	1,652,778	2,434,842	1,335,550[(2)]	235,420
Utilisation (*%*)	98%	99%	97%	99%	91%
Backlog (*USD millions)*	239	169	660	849[(3)]	15

Notes:

(1) Including vessels which are either contractually committed or contracted and under construction for scheduled delivery in the medium-term.

(2) Capacity for the Gas Shipping segment is stated in cubic metres.

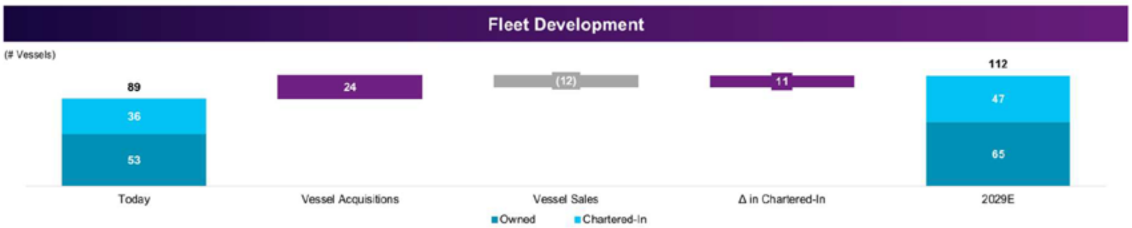
(3) U.S.$598 million of the Gas Shipping segment backlog is from vessels currently under order.

The Company continuously assesses opportunities to optimise its fleet by acquiring newly built vessels with the highest specifications, complying with modern ESG standards as well as selectively acquiring high-quality second-hand vessels at attractive prices. In addition, in 2020, the Company introduced a chartering strategy, as a result of which it began to charter-in and charter-out third-party vessels rather than owning or co-owning all vessels. To expand capacity in the future and support fleet agility, the Company plans to continue to invest in and charter additional vessels, thereby maintaining its expansion model.

Dedicated to achieving operational efficiency and meeting its ESG targets, the Company has set out to maintain a "young" fleet, which had an average fleet age of eight years as at 30 September 2024. Given the dynamic nature of the shipping markets, the Company will continue to actively manage its portfolio of vessels based on internal forecasts and shipping broker insights.

The Company is aiming to have a fleet of 112 vessels (65 owned or co-owned and 47 chartered-in) by 2029, driven by vessel acquisitions over the period.

The following chart illustrates the Company's fleet development plan between 2024 and 2029:



- Crude Shipping: by 2029, the Company plans to acquire 13 additional vessels (of which four are already under construction), dispose of four existing vessels and reduce its number of chartered-in vessels by three, resulting in three chartered-in vessels and 21 owned or co-owned Crude Shipping vessels.

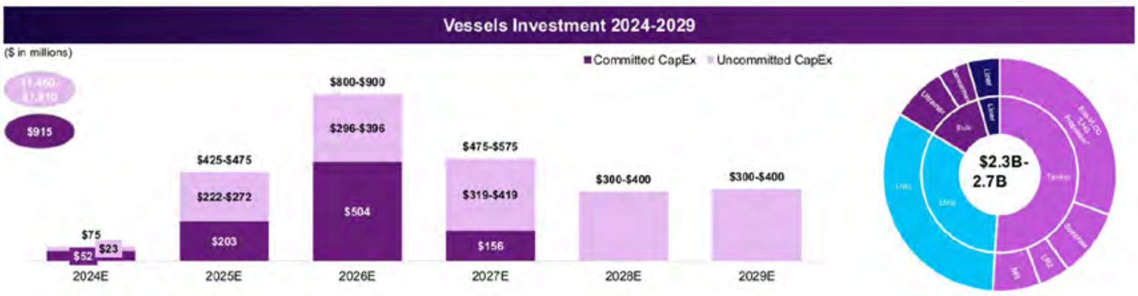
- Products Shipping: by 2029, the Company plans to acquire six additional vessels, dispose of three existing vessels and reduce its number of chartered-in vessels by four, resulting in 15 chartered-in and 18 owned or co-owned Products Shipping vessels.

- Dry Bulk Shipping: by 2029, the Company plans to acquire six additional vessels and charter-in an additional 15 vessels, resulting in 22 chartered-in and 17 owned or co-owned Dry Bulk Shipping vessels.

- Gas Shipping: by 2029, the Company plans to acquire four additional vessels (of which two are already under construction), dispose of five existing vessels and reduce its number of chartered-in vessels by one, resulting in six owned or co-owned Gas Shipping vessels.

- Liner Shipping: by 2029, the Company plans to acquire one additional vessel and increase its chartered-in vessels by four, resulting in seven owned Liner Shipping vessels.

The following chart illustrates the Company's planned vessel investment between 2024 and 2029:



The following table sets out the expected delivery schedule for vessels under order as at 30 September 2024, all of which will be fully owned by the Company:

Vessel Type	Expected Delivery Date
LNG	May 2026
LNG	June 2026
VLCC	July 2026
VLCC	October 2026
VLCC	January 2027
VLCC	April 2027

The Company believes its modern fleet is one of the key competitive advantages in the markets in which it operates, and it continually seeks to renew portions of its fleet to maintain the competitive profile of its vessels.

Other Activities

The Company's operational success is mainly driven by the professional support of OCC, OSMC, ASL and ASPL, its wholly-owned subsidiaries, which provide ship chartering and technical ship management services to both the Company's vessels and to third-party vessels and shipping companies.

Oman Charter Company (OCC)

OCC was set up in 2004 to oversee the Company's expanding chartering and broking activities, encompassing not only Company-owned vessels but third-party ships as well. OCC also manages several vessels that have been chartered-in to support the Company's customers. They include a mixture of different sizes of dry bulk carriers, products tankers, an MGC and a modest sized boxship. In 2022, OCC expanded its geographic reach by setting up a desk for chartering bulk and products tankers in Singapore.

Oman Ship Management Company (OSMC)

OSMC was set up in 2004 to provide technical services in the operation and management of the Company's expanding national fleet. Over 90 per cent. of the Company-owned vessels, including VLCCs, LNG carriers and products tankers, are managed in-house by OSMC. These services are a testament to the Company's commitment to the highest standards of navigational safety, operational efficiency, business efficiency and environmental responsibility. Japanese shipping conglomerate MOL provides service support to OSMC in matters of technical management of the LNG carriers. Muscat-headquartered OSMC is an ISM accredited and ISO certified company.

OSMC allows the Company to offer full-fledged maritime transportation services of the highest industry standards including full technical management services to its AAA rated customers.

Asyad Line (ASL)

ASL was established in 2020 to expand the Company's container shipping services to include regional container shipping trade routes. In addition to supporting the Company's Liner Shipping segment, ASL offers a wide range of value-added services to third-party customers, from storage and transportation to customs clearance services, all within a flexible, integrated logistics offering that appeals, in particular, to local customers.

Asyad Shipping Pte. Ltd (ASPL)

ASPL, the Company's bulk and products chartering desk in Singapore, was established in 2022 to expand the Company's activities globally and enter into one of the world's leading shipping centres. Similar to OCC, ASPL oversees the Company's chartering and broking activities in Asia and commercially manages the Company's chartered-in vessels.

Asyad Ship Management Company SPC (ASMC)

ASMC was established in 2024 to provide technical services in the operation and management of the Company's Liner Shipping vessels. ASMC is ISM and ISO certified.

Overview of Contractual Structures

The Company's capacity deployment strategy is designed to support optimal utilisation of the fleet while maintaining the flexibility to adapt to fluctuating market conditions. This involves deploying part of the fleet in the spot charter market to capitalise on short-term high market opportunities and chartering out vessels to protect against market downturns. When the market price of new vessels is deemed by the Company to be too high, the Company charters in vessels to meet spot, short- and medium-term market demand and to maintain its presence as a competitor in particular markets. As at 30 September 2024, 84.2 per cent. of the Company's fleet was deployed on time charters and 15.8 per cent. of its fleet was deployed in the spot charter market.

The three main types of contractual relationships used by the Company are:

- Time charter contracts, which involve a vessel being hired for multiple voyages over a specific period of time, with the shipowner managing the vessel.
- Voyage charters, where the vessel is hired to transport a set amount of cargo, either on a single voyage or a specific number of voyages, from specific load port(s) to specific discharge port(s), subject to various cargo handling teams. In voyage charters, the shipowner handles its operations and expenses.
- Contracts of affreightment, where the Company is contracted to carry an agreed amount of cargo for an agreed number of voyages over a set time period, which usually spans a number of years. This contractual relationship does not designate the specific vessels or voyage schedules that will transport the cargo, thereby providing both the charterer and ship owner greater operating flexibility than with voyage charters alone.

Contracts can be of varying durations based on the vessel type, the shipping segment and applicable market trends. The spot charter market typically operates on a one-to-three-month basis. Freight rates can either be fixed or variable, with specific payment terms agreed upon with each customer. Prevailing market conditions, such as supply and demand, significantly influence the ongoing rates for specific vessel types. Certain contractual arrangements may include performance metrics, such as laytime and speed and/or performance guarantees. Spot and time charter contracts are generally negotiated and concluded within two to five business days.

The global shipping market comprises broker companies that can represent either customers or shipowners in chartering transactions. Within this market, some transactions are offered by customers through two or more brokers simultaneously and shown to the widest possible range of owners. Other transactions are given by the customer to only one broker and shown selectively to a limited number of owners whose vessels are most likely to be acceptable to the customer and are in position to undertake the voyage. In addition, in many cases, customers contact the Company directly to charter a vessel because of their existing relationships with the Company. The Company monitors its fleet operations, vessel positions and charter market rates on a continuous basis, which it believes to be critical in making informed bids on competitive brokered business.

Safety Management and Ship Operations

Safety and environmental compliance are the Company's top operational priorities. The Company operates its vessels in a manner intended to protect the safety and health of the Company's employees, the general public and the environment. Management seeks to manage the risks that are inherent in its business and is committed to eliminating incidents that threaten the safety and integrity of the Company's vessels, such as groundings, fires, collisions and oil spills. The Company is also committed to reducing its vessels' emissions and waste generation.

A dedicated Corporate Strategy and Risk Management department undertakes monthly benchmarking analysis to evaluate the Company's segment performance in relation to its peers, which includes a detailed comparison of market trends and fleet performance that is then reported to executive management on a monthly basis. The Company has a unified safety management system, which is based on industry best practice and complies with, in particular, the ISM Code for Ship Management as per SOLAS. The Company has a Document of Compliance issued by the American Bureau of Shipping ("**ABS**") and ISO 9001:2015 for Quality Management and ISO 14001:2015 for Environment Management Systems. Compliance with these standards is confirmed on a yearly basis by a rigorous auditing procedure that includes both internal audits and external verification audits by the flag state of the vessel through ABS. The Company's unified safety management system also incorporates recommendations from the Tanker Management and Self-Assessment ("**TMSA**") that was developed by the Oil Companies International Marine Forum ("**OCIMF**"). OCIMF, a voluntary association of oil companies that have an interest in shipping crude oil and oil products and operating both onshore and offshore oil terminals, has been organised to represent its members before, and to consult with, the IMO and other governmental bodies on matters relating to shipping crude oil and oil products and operating oil terminals, including marine pollution and safety. TMSA evaluates shipping companies according to 13 elements and assigns one of four grades for each such element. The Company aims to achieve the highest TMSA level (four) in all 13 elements. Currently, the Company has achieved a four in six of the elements and a three in the remaining seven elements.

The Company operates in strict adherence to the Maritime Law of the Sultanate of Oman (Royal Decree 19/2023). This legislation incorporates principles harmonized with internationally recognized maritime conventions and treaties, including those promulgated by the IMO. These frameworks encompass key areas of governance such as navigational safety, environmental protection, liability and indemnity regimes, and the rights and welfare of seafarers.

The Company endeavours to align its operations with all applicable domestic legal requirements while adhering to relevant international maritime standards. To achieve this, the Company has established robust governance frameworks supported by a dedicated governance and compliance team along with the legal team. These teams actively monitor legislative developments and regulatory updates, helping the Company's practices remain in compliance with evolving laws and standards. Through this proactive approach, the Company underscores its commitment to maintaining a lawful, secure and environmentally responsible operational framework, both within Oman's territorial waters and globally

An integral part of the Company's safety management system is its environmental protection policy, the main goals of which are to increase the environmental sustainability of the fleet and to ensure the reliable and safe provision of seaborne cargo transportation services. See "—*Environmental, Social and Governance ("ESG")*" below.

OSMC provides the technical management services required in the operation of the Company's fleet, managing over 90 per cent. of the Company-owned fleet, with the rest of the vessels managed by MOL, ITM and Marlow Navigation. The Company also provides certain ship management services, which can range from full technical management to selected management functions, to third-party owners or operators. Ship management services include such critical functions as vessel maintenance (including repairs and drydocking) and certification, crewing by competent seafarers, procurement of stores, bunker and spare parts, management of emergencies and incidents, and insurance.

Health and safety

The Company places health and safety at the forefront of its operations, considering safety and security at work as a basic human right and a core company value. Dedicated to creating a safe and reliable workforce, the Company conducts various safety and development programmes, aiming to ensure the well-being of its employees, contractors and stakeholders. The Company's occupational health services focus on identifying and eliminating workplace hazards and minimising risks through hazardous material monitoring, personal protective equipment usage and comprehensive safety management procedures and policies. The quality of these services is maintained through rigorous audits, safety protocol compliance checks and monthly safety performance reporting.

To identify and manage work-related hazards, the Company conducts annual ship-shore drills and performs regular risk assessment and incident investigation. All work-related hazards are reported in the Company's ERP system and brought to the attention of the concerned department. Various policies and processes are in place for workers to remove themselves from situations that they believe could cause injury or accidents. The Company provides extensive training, both in person and online, helping its staff adhere to the highest safety standards. Comprehensive safety plans and personal protective equipment are mandatory for all operations.

The Company has a strong track record in safety, with a total recordable lost time injury frequency rate of 0.1 cases per one million man-hours in 2023 (versus 0.0 cases per one million man-hours 2022), compared to the Intertanko industry average of 0.3 cases per one million man-hours.

The following table sets out the Company's key safety data for the last three years:

	2021	**2022**	**2023**
Work-Related Fatalities			
Total number	0	0	0
Injuries			
Lost Time Injury ("**LTI**")	0	0	1
Lost Time Injury Frequency ("**LTIF**") *(Lost Time Injuries per million working hours, both employees and contractors)*	0.0	0.0	0.1
Total Recordable Cases ("**TRCs**")	5	2	4
Total Recordable Cases Frequency ("**TRCF**") *(All injuries per million working hours, both employees and contractors)*	0.55	0.22	0.41
Exposure			
Man hours worked	9,090,910	9,169,098	9,727,414

Environmental, Social and Governance ("ESG")

Environmental

The Company's environmental and sustainability strategy is focused on adherence to international regulations and decarbonisation efforts in line with the Sultanate of Oman's Logistics Strategy 2040 ("**SOLS 2040**") and the IMO emissions reduction targets. The commitment to environmental responsibility includes working towards net zero goals of Oman's 2050 strategy, decarbonisation of shipping activities by investing in an environmentally efficient fleet, and responsible disposal of older vessels, effective waste management, and a focus on biodiversity and alternative fuels.

The Company aims to be an innovator within the shipping sector, driving sustainable development and environmental stewardship. Since accelerating its decarbonisation targets in 2022, the Company has made significant progress towards delivering on its ESG commitments. In 2023, the Company published its first ESG report and, since then, has tracked 100 per cent. of its GHG, sulphur oxides, nitrogen oxides and particular matter emissions to create respective baselines. As part of the IMO strategy to reduce carbon intensity of all ships by 40 per cent. by 2030 (as compared to the 2008 baseline), ships are required to calculate two ratings, attained EEXI and annual operational CII and the associated CII rating. A ship's attained EEXI indicates its energy efficiency compared to a prescribed baseline. Carbon intensity links the vessel's GHG emissions to the amount of cargo varied over distance travelled. The first annual reporting for these certifications was completed in 2023, with the initial ratings given in 2024. The Company performs quarterly reviews of its CII ratings and is committed to improving them annually by 2 per cent.

To further its sustainability goals, the Company has developed a range of initiatives and programmes that aim to reduce its environmental impact while having a positive social and economic impact. The Company also regularly engages with industry players such as regulatory bodies, engine manufacturers, customers, and shipbuilding and financial institutes to study and implement new technologies contributing to the decarbonisation efforts in the shipping industry. This includes a U.S.$35.5 million sustainability-linked financing agreement which the Company has linked to two sustainability targets: (i) obtaining the "ECO" notation for two of its vessels from Lloyds Register (demonstrating the vessel's commitment to environmental stewardship) and (ii) achieving a fleetwide Energy Efficiency Operational Indicator ("**EEOI**") reduction of 8 per cent. annually.

The Company has invested approximately U.S.$1.0 billion in vessels which are more environmentally friendly, including its six vessels under order (which are dual fuel) and has budgeted an additional U.S.$11.4 million for 2025 for upgrades to existing vessels in order to improve environmental performance. Over the last five years, the Company has invested U.S.$66.5 million in sustainability-linked initiatives, including installing scrubbers on 19 of its vessels and additional investments in air lubrication systems, shaft generator systems, nano paint, engine speed limiters, propeller boss cap fins, rotor sails, pre-swirl ducts, meta power and variable frequency drives.

The Company has also recently partnered with the German University of Technology in Oman to conduct a study on the development of a carbon capture system, which would aim to reduce CO/CO2 emissions from vessels and as a joint study agreement with OQ and Sumitomo to explore the potential of Oman to become a low-carbon fuel bunkering hub.

Implementation and development of the Company's ESG strategy is overseen by the ESG Committee, which reports to the Board of Directors. Maintenance of the Company's environmental protection policy is facilitated by the Company's environmental management system and monitoring of environmental KPIs that relate to, among other things, emissions and waste generation, as calculated by the Company and set forth in further detail in the table below.

	For the year ended 31 December		
	2021	2022	2023
Emissions			
Nitrogen Oxides emissions (*mt*)	—	720.64	662.14
Sulphur Oxides emissions (*mt*)............................	—	393.43	364.69
Waste generation			
Total waste generation (garbage disposal ashore) (m^3)	—	2,120.06	1,971.40

The Company prioritises compliance with environmental regulations and best practices established by national statutory and regulatory requirements, the IMO, classification societies and flag states of its vessels.

Air quality

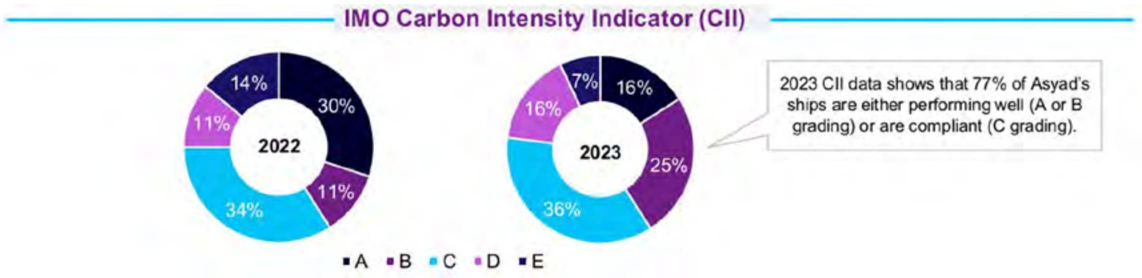
There are three categories of GHGs: Scope 1 emissions, Scope 2 emissions and Scope 3 emissions. The majority of the Company's GHG emissions are Scope 1 emissions, which are direct GHG emissions that occur from sources that are controlled or owned by a company. Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity. The Company does not report Scope 3 emissions, which are indirect emissions (not included in Scope 2) that occur in the value chain of a company, such as purchased goods and services, business travel, employee commuting, waste disposal and transportation related emissions.

The following table sets out the Company's total absolute GHG emissions for the periods indicated:

	For the year ended 31 December		
	2021	2022	2023
	(k tonnes of CO2 equivalent)		
Scope 1..	1,692	1,772	1,661
Scope 2..	0.5	0.5	0.6
Total	1,692	1,772	1,662

Through a comprehensive system of monitoring emissions, the Company tracks fuel consumption data to accurately calculate CO2 emissions, identify trends and patterns, and analyse areas for improvement and emission reduction strategies. Energy-efficient technologies, such as improved vessel propulsion systems, modern vessel coatings, energy management systems, as well as regular ship inspections and routine hull and propellor cleaning are aimed at optimising ship design and operations. In addition, the Company is exploring alternative fuel options, such as ammonia, methanol, biofuels and hydrogen, focusing on addressing the challenges related to safe handling, storage and infrastructure development associated with their adoption. At present, the Company's vessels use very low sulphur fuel oil and heavy fuel oil and are fitted with scrubbers to control emissions. The Company has complied with the IMO's 0.5 per cent. global cap on content of sulphur in fuels since its introduction in 2020 and currently has 100 per cent. tracking of its sulphur dioxide ("**SOx**"), nitrogen oxides ("**NOx**") and particulate matter emissions.

The following charts illustrates the Company's CII distribution across its fleet as at 31 December 2022 and 2023:



Water and wastewater management

The Company is dedicated to reducing water consumption, preventing water pollution and fostering sustainable water practices across its value chain. To prevent marine pollution as a result of oil and fuel spills, the Company adheres to the requirements of MARPOL and the Ship Oil Pollution Emergency Plan ("**SOPEP**") guidelines, and conducts monthly trainings and testing of all equipment. To protect the environment from invasive species present in ballast water, vessels need to be fitted with a BWTS which is designed to eliminate invasive aquatic species, allowing ballast water to be safely discharged without harming the coastal marine environments or ports. As at 31 December 2024, all of the Company's vessels had been retrofitted with a BWTS. The Company also tracks the volume of bilge water, which is water collected in the bottom inside part of its ships from leakages from seawater and freshwater pumps and coolers, that is discharged overboard. Bilge water is treated by an OWS that clears it of oily content.

Waste and hazardous materials management

In compliance with the sea garbage disposal and harmful substances regulations of MARPOL, the Company has implemented measures to prevent discharge of oil or oily waste into water and ensure there is no toxic liquid or chemical release at the terminal or on deck. The operation of the ship's main engine, various types of auxiliary machinery and handling of fuel oil results in the production of sludge onboard. This sludge is stored in various engine room tanks and is discharged to shore or incinerated onboard. The Company tracks 100 per cent. of its hazardous and non-hazardous waste. There were no major spills of chemicals, oils or fuel in the years ended 31 December 2021, 2022, 2023 or the nine months ended 30 September 2024.

Energy efficiency

A significant portion of the Company's environmental strategy is dedicated to the reduction of energy consumption, conservation of resources and fostering of sustainable shipping practices. To improve energy efficiency, the Company has implemented various energy-saving technologies on certain vessels, including

- *Anemoi Rotor sail*: technology capitalising on the aerodynamic phenomenon known as the Magnus Effect, increasing efficiency by reducing fuel consumption, bunker costs and harmful emissions;
- *Optisave variable frequency diverter*: a device aimed at optimising the control system of cooling pumps and ER fans onboard vessels, reducing the electrical power consumed and saving fuel;
- *Becker Mewis Duct*: an energy-saving device developed for full-form slower ships enabling either significant power savings at a given speed or, alternatively, faster travel speeds at a given power level;
- *Silverstream air lubrication system*: technology reducing the frictional resistance of the vessel by creating a carpet of microbubbles that coats most of the flat bottom of a vessel's hull, resulting in lower fuel consumption and reduced emissions of up to 10 per cent.;
- *Engine power limiter*: technology establishing a semi-permanent, overridable limit on a ship's maximum power and speed via its main engine;

- *Intersleek 1100SR coating*: ultra-smooth low friction surface paint providing up to 9 per cent. fuel savings and substantial CO2 reduction compared to conventional antifouling coatings; and
- *Azra Tech – Nano Epoxy Advanced coating*: coating solution for underwater hull protection offering energy and fuel saving benefits due to its ultra-smooth low friction surface and high abrasion and mechanical shock resistance.

Governance and Ethics

Maintaining good governance practices and a culture of ethical behaviour and compliance is a priority for the Company. It implements a range of policies to govern workplace conduct, covering areas such as compliance with laws and regulations, handling conflicts of interest, managing gifts and entertainment, combating corruption and bribery, maintaining business integrity, political activities, safeguarding confidential information, upholding business and financial information, prioritising occupational health and safety, monitoring substance usage and promoting exemplary workplace practices. All of the Company policies are aligned with the OIA Code of Governance and OIA Policies and Procedures.

To ensure compliance with sanctions and anti-money laundering regulations, the Company maintains due diligence and Know Your Customer procedures applied to its partners, customers and suppliers. This includes live vessel monitoring and rigorous screening against sanctions lists for all owned and chartered-in vessels and third parties associated with the Company.

A dedicated Compliance Committee and a Governance, Risk and Compliance ("**GRC**") function is responsible for ensuring the implementation of, and compliance with, the Company's Code of Business Conduct. The Code applies to all directors, officers and employees of the Company, including those within its subsidiaries.

The Company is a member of the Maritime Anti-Corruption Network and has obtained TRACE certification for anti-bribery practices, compliance and good governance.

Corporate and Social Responsibility

The Company is committed to creating shared value in the communities in which it operates and establishing an ethical and inclusive workplace. The Company integrates sustainable growth and social impact into its business practices by contributing to economic growth in the areas of its operation both directly and indirectly through job creation, training, local sourcing and community development initiatives, many of which are further supported by the Asyad Group.

Examples of the Company's community development initiatives include:

- Multiple recovery initiatives directed toward communities impacted by Tropical Storm Chalane in 2021.
- Mallah Leadership Course: a three-month leadership course that equips candidates with essential leadership skills. Upon completion, participants engage in a group project to demonstrate their knowledge and graduate from the programme.
- Etimad Leadership Programme: a programme fully-funded by the Government, which spans over ten months and involves intensive assignments and projects designed to nurture strong leadership qualities in participants.

Employees

As at 31 October 2024, the Company employed 1,859 employees, of whom 238 were office based employees, 215 were seafarers and 1,406 were seafarers from other manning agencies. As at 31 December 2023, the Company had an Omanisation rate of 90 per cent. among office-based staff.

The following table sets out the number of employees as at the dates indicated, broken down by function:

	As at 31 December		
	2021	**2022**	**2023**
Office based employees	230	231	220
Seafarers	170	174	191
Seafarers from other manning agencies	1,635	1,634	1,476
Total	2,035	2,039	1,887

As at 31 December 2023, the Company's office based employees were 76 per cent. male and 24 per cent. female, with employee turnover of 5 per cent. The Company also had a seafarer retention rate of 93 per cent. as at 31 December 2023 (compared to 91 per cent. as at 31 December 2022).

Under Omani law, the Company is obligated to contribute to the social security scheme for employees who are Omani nationals. Contributions are made in compliance with local regulations, which require employers to contribute a percentage of the employee's salary to the Social Security Fund. For employees who are not Omani nationals, required contributions depend on the category of the employee and their employment contract. The summary below provides a breakdown of the required contributions for non-Omani national employees:

- Work Injuries and Occupational Diseases: The contribution rate is 1 per cent. of the employee's gross salary, subject to a maximum salary threshold (OMR 3,000) starting from 1 July 2026.
- Maternity Leave: Non-Omani employees are subject to a 1 per cent. deducted from their gross salary for maternity leave benefits, applicable from 1 July 2024.
- Sick and Other Leave: Non-Omani employees are subject to a 1 per cent. deduction for sick and non-standard leave benefits, applicable from 1 July 2025.
- Savings Program: Non-Omani employees are subject to a 9 per cent. deduction of their base salary, applicable from 1 July 2026 or earlier as may be announced by the relevant authority.

The Company regards attracting and retaining motivated seagoing personnel as a top priority. Through the Company's crewing offices in V Ships, MOLMI, Northen Marine, Mena Marlow, Magsaysay MOL Marine ("**MMM**") and United Marine Agency ("**UMA**"), it offers its seafarers what it believes to be competitive employment packages and comprehensive benefits, including medical insurance, P&I insurance for onboard seafarers and travel benefits. Moreover, the Company has taken several measures to promote the safety and wellbeing of its employees, including the introduction of additional staff aboard its vessels, the installation of fitness facilities onboard and offering contracts that reduce time at sea for senior officers.

All of the Company's seafarers are part of the ITF special agreements according to MLC requirements which are set by collective bargaining agreements that were negotiated with the seafarers Local Trade Union. These agreements govern the Company's employment of seafarers serving on a substantial portion of the Company's vessels. The terms of these agreements generally govern the wages paid to the Company's crew, minimum living conditions onboard the Company's vessels, as well as other benefits and conditions of the seafarers' employment.

The Company is committed to developing and training its personnel and seafarers. To bring more Omanis into the seafaring community, the Company provides training to graduate cadets from local colleges. The Company trains over 100 cadet graduates annually. On-the-job training is strongly encouraged and is the responsibility of supervisors or direct managers who ensure that practical training opportunities are provided to all employees. As part of its commitment to employee development, the Company has implemented several programmes aimed at upgrading employee skills and fostering leadership abilities:

- Computer-based training: computer-based training provided to seafarers and shore-based staff, enabling them to enhance their technical skills and knowledge relevant to their respective roles.
- Training drills for ship staff: regular training drills conducted for ship staff to ensure they are well-prepared for various scenarios and can respond effectively in challenging situations.

The Company places significant importance on complying with the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers requirements. Therefore, the entire ship management staff undergoes training to support adherence to these regulations. Additionally, the employee training encompasses environmental training, SHELL training (onboard training for seafarers), security and safety trainings. All employees and seafarers undergo regular employee performance and career development reviews, enabling the identification of strengths and areas for improvement.

Properties

The Company's primary property is its headquarters building in Muscat, Oman. This building is fully owned by the Company.

Information Technology

The Company has established a comprehensive Information Technology ("**IT**") infrastructure, designed to meet the needs of its operations across shipping and related sectors. A key element of the Company's IT strategy includes a strong focus on information security, promoting the confidentiality and integrity of critical data, including customer details, financial transactions and operational data.

The Company's core ERP systems are hosted across leading cloud platforms, including AWS, Microsoft Azure, and Oman Data Park, and offer secure, scalable and reliable cloud computing environments. In particular, Oman Data Park adheres to internationally recognised security standards (ISO 27001 and ISO 20000), ensuring that sensitive data is protected with advanced technologies and robust security measures.

Additionally, the Company manages IT/OT systems for its vessel fleet, facilitating the seamless integration of operational technology with IT systems. This includes overseeing communication and satellite systems, which are critical to the day-to-day operations of vessels at sea. These systems are maintained to promote reliable communication, vessel performance monitoring and adherence to international maritime cybersecurity standards.

By leveraging these advanced IT infrastructures and services, the Company maintains a secure and efficient operational environment, allowing a sharper focus on core business activities without the need for heavy investment in on-premises data centre management.

Intellectual Property

The Company's only intellectual property comprises trademark registrations, and it believes that no single intellectual property asset is material to the Company's business as a whole. The Company owns or has the right to use (including in particular as regards the Asyad name) all the trademarks that it uses in its business.

Insurance

The operation of any ocean going vessel carries an inherent risk of catastrophic maritime disasters, death or injury of persons and damage to property, losses caused by adverse weather conditions, vessel collisions, mechanical failures, human error, war, terrorism, piracy and other circumstances or events. In addition, the transportation of crude oil, petroleum products, LNG and LPG is subject to the risk of spills and to business interruptions due to political circumstances in foreign countries, hostilities, labour strikes and boycotts.

Certain risks may not be fully insurable due to their evolving nature and the limitations of current insurance products. Insurance products will typically exclude certain risks by design, such as activities that may lead to a sanctions breach or extraordinary exclusions such as nuclear damage. While the Company maintains all of its relevant insurance policies up to the highest market and industry standard, certain risks fall outside the scope of its insurance policies specifically because of the unavailability of suitable products.

The Company carries hull and machinery insurance (including marine and war risks), protection and indemnity insurance, and freight, demurrage and defense insurance to protect against various accident-related risks inherent in its business. Hull and machinery insurance typically covers the loss or damage of a vessel due to marine perils, such as collisions groundings, and adverse weather and this insurance covers the full hull value of a vessel. Protection and indemnity insurance indemnifies the Company against liabilities incurred while operating vessels, including crew injuries, third-party injuries, cargo loss and pollution. Freight, demurrage and defense insurance provides coverage for legal and expert expenses in disputes related to vessel construction, purchase, sale, ownership or operation. Additional policies cover risks such as war (including piracy and terrorism), loss of hire, kidnap and ransom, charterer's liability and container transport operator risks. Furthermore, the Company maintains cybersecurity and social responsibility insurance and holds a U.S. Coast Guard Certificate of Financial Responsibility.

Management believes that the Company's current insurance coverage is adequate to protect against most of the accident-related risks involved in the conduct of its business and that the Company maintains appropriate levels of environmental damage and pollution insurance coverage, consistent with industry norms with S&P A rated underwriters as a mandatory requirement.

Classification, Audits and Inspections

Generally, inspection procedures and requirements are a multi-layer quality control system, which includes internal reviews as well as external verification. The system starts from control of newbuild technical documentation and development, goes on to supervision during construction, crew selection and training; running the vessel by the Company's crew; control of the vessels and crew by an onshore technical manager; and evaluations of technical managers, crew and vessels by various third parties, such as classification societies, flag states, ports, customers and insurers.

The Company's vessels and crews are regularly inspected by its technical personnel to monitor and conduct necessary routine maintenance. Shore based operational and technical specialists inspect vessels at least three times a year. Upon completion of each such inspection, an inspection report is produced and, if required, action plans are developed to address any items requiring improvement. All action plans are monitored until completion. The objectives of these inspections are to ensure adherence to the Company's internal operating standards and legislative requirements; that the vessel is being maintained as per company standards; that the vessel's machinery and equipment is being maintained to give full reliability in service; that the vessel is optimising performance in terms of speed and fuel consumption; and that the vessel's appearance will support the Company brand and meet customer expectations.

The hull and machinery of all the Company's vessels have been 'classed' by one of the major classification societies: BV, DNV GL, Lloyd's Register of Shipping or American Bureau of Shipping. In each case, the relevant classification society certifies that the vessel has been built and maintained in accordance with the rules of that classification society. Each vessel is inspected by a classification society surveyor annually, with either the second or third annual inspection being a more detailed survey (an "**Intermediate Survey**") and the fifth annual inspection being the most comprehensive survey (a "**Special Survey**"). The inspection cycle resumes after each Special Survey. Vessels also may be required to be drydocked at each Intermediate Survey and Special Survey for inspection of the underwater parts of the vessel in addition to a more detailed inspection of hull and machinery. Many of the Company's vessels have qualified with their respective classification societies for drydocking every five years in connection with the Special Survey and are no longer subject to drydocking at Intermediate Surveys. To qualify for this treatment, the Company was required to enhance the resiliency of the underwater coatings of each vessel hull to accommodate underwater inspections by divers.

The Company anticipates that the total number of vessels in drydock during 2025 and 2026 will be in the double digits, while the total number of vessels in drydock during the period from 2027 to 2030 will be in the mid-single digits. The following table details the Company's historical drydocking schedule by segment for the years ended 31 December 2021, 2022, 2023 and 2024:

	2021	2022	2023	2024
Crude Shipping	4	6	1	—
Products Shipping	8	1	2	—
Dry Bulk Shipping	—	3	4	2
Gas Shipping	3	1	1	4
Liner Shipping	—	—		—
Total	**15**	**11**	**9**	**6**

Each vessel's flag state, or the vessel's classification society if nominated by the flag state, also inspects that vessel, to ensure it complies with applicable rules and regulations of the country of registry of the vessel and the international conventions to which that country is a signatory. Port state authorities, such as the United States Coast Guard and the Australian Maritime Safety Authority, also inspect the Company's vessels when they visit their ports. Many of the Company's customers also regularly inspect the Company's vessels, commonly known as "vetting," as a condition to chartering. Management believes that the Company's modern, well maintained and high quality vessels provide the Company with a competitive advantage in the current environment of increasing regulation and customer emphasis on quality of service.

Legal Proceedings

From time to time, the Company is party to governmental, legal, arbitration or other proceedings. The Company does not believe that there are any proceedings that would, if finally determined adversely against the Company, have a material adverse effect on the Company's financial position or profitability.

Material Contracts

Joint Venture Agreements

The Company has entered into several joint venture agreements since its inception in 2003 which govern the Company's vessels that are co-owned with other parties. In particular, the Company has entered into several joint ventures with MOL, which govern the vessels the Company co-owns with MOL.

These joint venture agreements govern the relationship between joint venture partners from the effective date, as defined therein, and continue until the joint venture becomes owned by one party, the joint venture is wound up, dissolved or liquidated or the relevant vessel is sold, lost or disposed of. These joint venture agreements establish the respective rights and obligations of parties forming an unincorporated joint venture aimed at carrying out vessel management operations for each of the specified vessels.

The joint venture agreements are typically governed by the laws of England and Wales.

Time Charter Contracts

As part of its ordinary course of business, the Company has entered into a number of long- and short-term time charter contracts and contracts of affreightment with its customers, including Sinokor, Vale, Shell, Qalhat, Trafigura and Clearlake (each as defined below).

Certain of these time charter contracts and contracts of affreightment are set out below in further detail. See also "*—Overview of Contractual Structures*".

Sinokor

The Company has entered into a number of time charter contracts with Sinokor Maritime Co. Ltd. ("**Sinokor**") for the transportation of crude oil. These contracts range from three years to six years in duration and include optional extension periods.

Hires are paid monthly by Sinokor to the Company pursuant to the applicable time charter contract. The Company, as the owner of the vessels, is responsible for the maintenance of the vessels throughout the charter period, including conducting any necessary repairs and maintaining compliance with any applicable regulations (e.g., compliance requirements for passage through the Suez Canal and the Panama Canal). The Company must also provide and pay for a trained, English-speaking crew and maintain certain insurance as detailed in the applicable time charter contract. Sinokor, as charterer, is responsible for the costs of all fuel, fresh water, tank cleaning materials and other operational and voyage expenses during the charter period, including port fees, towage and pilotage fees, security costs and disposal of cargo-related waste. The time charter contracts include standard termination provisions (including, for example, by mutual agreement or in case of an event of default).

The time charter contracts with Sinokor are governed by the laws of England and Wales.

Vale

On 12 September 2012, the Company has entered into several time charter contracts with Vale International S.A. ("**Vale**") for the transportation of iron ore. These contracts are each for a period of 20 years and charters to Vale all four of the Company's VLOCs.

Hires are paid monthly by Vale to the Company pursuant to the applicable time charter contract. The Company, as the owner of the vessels, is responsible for delivering the vessels in a seaworthy condition and ensuring compliance with all relevant rules and regulations at the time of delivery. Throughout the charter period, the owner must maintain the vessels, including providing the necessary crew, fuel and supplies. The owner is also liable for any damages to the vessels resulting from their negligence and must bear the costs of any losses or breaches of the lease terms. Additionally, the owner must provide essential documentation, such as seaworthiness certificates, cargo certificates and safety certificates, to the charterer.

Vale, as charterer, is responsible for paying the agreed hire on time and operating the vessels in accordance with the terms of the lease. They must ensure that the loading and unloading of cargo are conducted safely and efficiently. The charterer is liable for any damages caused to the vessels due to their negligence or improper use. Furthermore, the charterer must comply with all applicable laws and regulations during the vessels' operation, pay all taxes and fees related to the vessels and their cargo and promptly inform the owner of any damages or necessary repairs. The time charter contracts with Vale are governed by English law.

Shell

The Company has entered into a number of time charter contracts with Shell Tanker (Singapore) Private Ltd. ("**Shell**") for the transportation of oil, refined products and chemical products. These contracts range from six years to seven years in duration and include optional extension periods.

Hires are paid monthly by Shell to the Company pursuant to the applicable time charter contract. The Company, as the owner of the vessels, has undertaken to provide and pay for all provisions, wages and shipping and discharging fees, as well as all other expenses of the master, officers and crew. In addition, the Company is responsible for all vessel insurance, deck, cabin and engine-room stores, water (except for tank cleaning), drydocking and any required overhaul, maintenance and repairs to the vessel during the charter period. Shell, as charterer, is responsible for all fuel (except fuel used for domestic services), towage and pilotage, as well as all agency fees, port charges, commissions, expenses of loading and unloading, canal dues, tank cleaning chemical and materials and reasonable crew overtime and/or agreed crew tank cleaning bonuses. The time charter contracts include standard termination provisions (including, for example, by mutual agreement or in case of an event of default).

The time charter contracts with Shell are governed by the laws of England and Wales.

Qalhat

The Company has entered into a number of time charter contracts with Qalhat LNG SAOC ("**Qalhat**") for the transportation of LNG. These contracts are each for a period of 20 years.

Fees are paid monthly by Qalhat to the Company pursuant to the applicable time charter contract. The Company, as the owner of the vessels, has undertaken to provide and pay for all provisions, wages and shipping and discharging fees, as well as all other expenses of the master, officers and crew. In addition, the Company is responsible for all vessel insurance, deck, cabin, and engine-room stores, water, drydocking and any required overhaul, maintenance and repairs to the vessel during the charter period. Qalhat, as charterer, is responsible for all fuel, towage and pilotage, as well as agency fees, port charges, commissions, loading and unloading expenses, canal dues and communications from the vessel for Qalhat's purposes. The time charter contracts include standard termination provisions (including, for example, by mutual agreement or in case of an event of default).

The time charter contracts with Qalhat are governed by the laws of England.

Trafigura

The Company has entered into a number of time charter contracts with Trafigura Maritime Logistics Pte. Ltd. ("**Trafigura**") for the transportation of crude oil and other products. These contracts range from three years to five years in duration and include optional extension periods.

Hires are paid monthly by Trafigura to the Company pursuant to the applicable time charter contract. The Company, as the owner of the vessels, is responsible for the maintenance of the vessels throughout the charter period, including conducting any necessary repairs and maintaining compliance with any applicable regulations. As part of this requirement, the Company must submit monthly reports on any incidents, malfunctions and environmental reporting obligations, and must conduct a SIRE inspection every six months.

The Company must also provide and pay for a trained crew and maintain certain insurance as detailed in the applicable time charter contract. Trafigura, as charterer, is responsible for the costs of fuel, water, tank cleaning chemicals and other operational and voyage expenses, including port fees, towage and pilotage fees, agency fees, loading and discharge costs and canal tolls. Freshwater must also be supplied by Trafigura for coastal voyages or when a vessel cannot product freshwater due to its trading pattern.

The time charter contracts include standard termination provisions (including, for example, by mutual agreement or in case of an event of default).

The time charter contracts with Trafigura are governed by the laws of England and Wales.

Clearlake

The Company has entered into a number of time charter contracts with Clearlake Shipping Pte. Ltd. ("**Clearlake**") for the transportation of liquified natural gas, clean petroleum and chemical products. These contracts range from three years to one year in duration.

Hires are paid monthly by Clearlake to the Company pursuant to the applicable time charter contract. The Company, as the owner of the vessels, is responsible for a ensuring the vessel remains in seaworthy condition and is fully compliant with all applicable laws throughout the charter period, including completing necessary repairs. The Company must appoint a qualified crew, supply specified quantities of fuel at delivery, repurchase any remaining fuel at redelivery and promptly notify Clearlake of any operational issues. Clearlake, as charterer, must operate the vessel responsibly in compliance with applicable laws and redeliver it in the same condition, allowing for normal wear and tear. Additionally, Clearlake must inform the Company of any incidents affecting the vessel and cover all operational costs, including fuel, port fees, and cargo handling charges. The time charter contracts include standard termination provisions (including, for example, by mutual agreement or in case of an event of default).

The time charter contracts with Clearlake are governed by the laws of England and Wales.

Shipbuilding Contracts

The Company is in the process of expanding its fleet through strategic shipbuilding contracts with Hyundai Samho and Hanwha Ocean (each as defined below).

Hyundai Samho

The Company and Hyundai Samho Heavy Industries Co., Ltd. ("**Hyundai Samho**") entered into shipbuilding agreements for the construction of two 174,000 cubic meter class LNG carriers with hull numbers 8204 and 8205 (each dated 21 December 2022). These ships are to be delivered in May and June 2026. These agreements include certain early termination provisions allowing Hyundai Samho to, inter alia, rescind the contract if the Company is in continuing default (i.e., it fails to pay an instalment or fails to take delivery) for ten days, as well as provisions permitting Hyundai Samho to sell the vessel after rescinding the contract. In the event of delays in delivery or defects in construction, the Company shall be entitled to reductions in the contract price as liquidated damages, based on the type and extent of the delay or defect in construction, as specified in the agreement. These vessels are intended to be chartered to Oman LNG for a period of eight years (with a 120-day extension option) pursuant to the agreement signed on 20 December 2023.

Hanwha Ocean

The Company and Hanwha Ocean Co., Ltd. ("**Hanwha Ocean**") entered into shipbuilding agreements for the construction of four 300,000 DWT VLCCs with hull numbers 5511, 5512, 5513 and 5514 (each dated 28 June 2024). These ships are to be delivered in 2026 and 2027. These agreements include certain early termination provisions allowing Hanwha Ocean to, inter alia, rescind the contract if the Company is in continuing default (i.e., it fails to pay an instalment or fails to take delivery) for ten days, as well as provisions permitting Hanwha

Ocean to sell the vessel after rescinding the contract. In the event of delays in delivery or defects in construction, the Company shall be entitled to reductions in the contract price as liquidated damages, based on the type and extent of the delay or defect in construction, as specified in the agreement.

Service Agreements

The Company expects to enter into the New Service Level Agreement (as defined under "*Chapter IV—Risk Factors—The Company has relied and will continue to rely on the Asyad Group to use the Asyad Group brand and to provide the Company with certain corporate services*") with Asyad Group prior to Admission, pursuant to which Asyad Group is expected to continue to provide the Company with a range of centralised corporate services. The agreement will replace the Existing Master Agreement (as defined under "*Chapter IV—Risk Factors—The Company has relied and will continue to rely on the Asyad Group to use the Asyad Group brand and to provide the Company with certain corporate services*"), pursuant to which Asyad Group provided the Company with centralised corporate services such as treasury, human resources, business support services, procurement and contracting, communication services, health, safety and environmental (HSE) services, legal services, marketing services and IT services.

The services to be provided under the New Service Level Agreement are expected to cover similar operational areas to those covered by the Existing Master Agreement. Additionally, the New Service Level Agreement will set out the licensing arrangements between Asyad Group and the Company in relation to the use of Asyad Group's trademarks and logo. The fee payable in respect of the provision of the services covered by the agreement is expected to be paid annually in arrears in the amount equal to 1 per cent. of the Company's audited consolidated revenue for the relevant financial year. These fees were approved by the Company's Board of Directors after being evaluated and considering the actual costs incurred in prior years.

The Company entered into the New Service Level Agreement to formalise its relationship with the Asyad Group and to maximise the added value of integrated logistics solutions. Previously, these services were provided by the Asyad Group and were calculated based on actual expenses, as detailed in the 2023 Annual Financial Statements in Note 25. These costs for the first nine months of 2024 were detailed in the Interim Financial Statements in Note 25.2 and totalled OMR 2.7 million.

Dry Docking and Ship Repair Services Agreement

OSMC entered into a service level agreement for the provision of dry docking and ship repair services with Asyad Dry Dock Company LLC ("**ADC**") effective 24 August 2023 (the "**Dry Docking and Ship Repair Services Agreement**"), pursuant to which ADC provides OSMC with dry docking and ship repair services for its managed fleet. The Dry Docking and Ship Repair Services Agreement is valid until terminated by mutual consent of the parties or by either party in the event of a material and persistent breach by the other party. OSMC agreed to solely use ADC's shipyard for all planned dry docking and repair of its managed vessels, subject to certain exceptions outlined in the agreement. The fees payable to ADC its services are agreed on a case-by-case basis for each vessel.

Subsidiaries

The following table sets forth certain details regarding the Company's subsidiaries:

Subsidiary	Country of Incorporation	Ownership Interest (%)
Oman Charter Company SAOC	Sultanate of Oman	99.99
Oman Ship Management Company SAOC	Sultanate of Oman	99.99

Subsidiary	Country of Incorporation	Ownership Interest (%)
Areej LNG Carrier S. A	Republic of Panama	80.0
Tiwi LNG Carrier S. A	Republic of Panama	80.0
Adam Maritime Transportation Company	Marshall Islands	100.0
Dune LNG Carrier S. A	Republic of Panama	80.0
Oryx LNG Carrier S. A	Republic of Panama	60.0
Masirah Maritime Transportation Co. S. A	Republic of Panama	100.0
Matrah Transportation Co. S.A.	Republic of Panama	100.0
Al Amerat Transportation Company S. A	Republic of Panama	100.0
Ezki Maritime Transportation Company	Marshall Islands	100.0
Buka Maritime Transportation Company	Marshall Islands	100.0
Sifa Maritime Transportation Company	Marshall Islands	100.0
Fida Maritime Transportation Company	Marshall Islands	100.0
Daba Maritime Transportation Company	Marshall Islands	100.0
Vale Sohar Maritime Transportation Company S.A.	Marshall Islands	100.0
Vale Shinas Maritime Transportation Company S.A.	Marshall Islands	100.0
Vale Saham Maritime Transportation Company S.A.	Marshall Islands	100.0
Oman Container Line S.A.	Republic of Panama	100.0
Saiq Maritime Transportation Company S.A. (Saiq)	Marshall Islands	100.0
Saham Maritime Transportation Company S.A.(Saham)	Marshall Islands	100.0
Samail Maritime Transportation Company S.A. (Samail)	Marshall Islands	100.0
Muscat Silver Maritime Transportation Company S.A.	Marshall Islands	100.0
Nakhal Silver Maritime Transportation Company S.A.	Marshall Islands	100.0
Mahadah Silver Maritime Transportation Company S.A.	Marshall Islands	100.0
Muhut Silver Maritime Transportation Company S.A.	Marshall Islands	100.0
Yanqul Silver Maritime Transportation Company S.A.	Marshall Islands	100.0
Dank Silver Maritime Transportation Company S.A.	Marshall Islands	100.0
Madha Silver Maritime Transportation Company S.A.	Marshall Islands	100.0
Sadah Silver Maritime Transportation Company S.A.	Marshall Islands	100.0
Khasab Silver Maritime Transportation Company S.A.	Marshall Islands	100.0
Jabal Al Misht Maritime Transportation Company Limited	Marshall Islands	100.0
Jabal Shams Maritime Transportation Company Limited	Marshall Islands	100.0
Dalkut Maritime Transportation Company Limited	Marshall Islands	100.0
Sur Maritime Transportation Company Limited	Marshall Islands	100.0
Bahla Maritime Transportation Company Limited	Marshall Islands	100.0
Jabl Samhan Maritime Transportation Company Limited	Marshall Islands	100.0
Jabl Kawr Maritime Transportation Company Limited	Marshall Islands	100.0

Subsidiary	Country of Incorporation	Ownership Interest (%)
Jabl Hafit Maritime Transportation Company Limited	Marshall Islands	100.0
Jabl Harim Maritime Transportation Company Limited	Marshall Islands	100.0
Jabl Al Rawdah Maritime Transportation Company Limited	Marshall Islands	100.0
Asyad Line LLC	Sultanate of Oman	100.0
Wadi Bani Khalid Maritime Transportation Company Limited	Marshall Islands	100.0
Asyad Shipping PTE. LTD	Singapore	100.0
Wadi Duka Maritime Transportation Company Limited	Marshall Islands	100.0
Asyad Ship Management Company SPC	Sultanate of Oman	100.0

Chapter XIII
Selected Historical Financial and Operational Information

The selected historical financial information set forth below as at and for the years ended 31 December 2021, 2022 and 2023 and the nine months ended 30 September 2023 and 2024 has been derived from the audited Annual Financial Statements, which have been prepared in accordance with IFRS, and the audited Interim Financial Statements, which have been prepared in accordance with IAS 34.

Results in the Interim Financial Statements are not necessarily indicative of the results that can be expected for the full year. The selected historical financial information should be read in conjunction with "Chapter XIV—Management's Discussion and Analysis of Financial Condition and Results of Operations", and the Financial Statements, including the related notes, included elsewhere in this Prospectus.

Consolidated Statement of Profit or Loss and Other Comprehensive Income (OMR)

	Year Ended 31 December			Nine Months Ended 30 September	
	2021	**2022**	**2023**	**2023**	**2024**
			(OMR millions)		
Revenue from contracts with customers	186.9	266.4	217.0	112.2	81.3
Operating lease income	38.4	63.9	129.8	149.6	181.4
Finance lease income	18.5	17.8	17.0	12.8	12.2
Revenue	243.8	348.1	363.7	274.6	274.9
Voyage operating costs	(62.7)	(98.1)	(81.7)	(62.2)	(38.8)
Charter hire expenses for short term vessel hires	(13.0)	(22.1)	(28.6)	(22.5)	(18.6)
Vessel operating costs	(115.3)	(138.0)	(170.6)	(123.0)	(134.3)
Gross profit	52.8	90.0	82.8	67.0	83.2
Other income	0.3	0.6	7.5	7.4	0.3
Dividend income	—	1.0	0.1	0.1	0.1
Commercial expenses	(4.9)	(8.0)	(8.1)	(6.6)	(5.4)
General and administrative expenses	(8.5)	(10.9)	(12.6)	(7.8)	(11.0)
Impairment reversal / (losses) on financial and contract assets	(0.2)	(0.2)	0.1	0.1	(0.3)
Impairment losses on right-of-use assets	—	—	(22.3)	(22.3)	—
Gain / (loss) on sale of property, vessels and equipment	—	(0.7)	18.0	—	—
Operating profit	39.5	71.7	65.6	38.0	66.9
Finance costs	(25.4)	(25.8)	(42.4)	(31.5)	(29.9)
Finance income	3.8	2.0	13.3	11.0	7.2
Share of results of equity-accounted-investees	3.3	(6.8)	1.0	0.6	0.9
Profit before tax	21.2	41.1	37.3	18.1	45.1
Income tax credit	(0.4)	1.7	2.2	0.1	0.8
Profit for the period	20.7	42.8	39.5	18.2	45.9

	Year Ended 31 December			Nine Months Ended 30 September	
Other comprehensive income for the period, net of tax	8.5	15.0	(7.2)	(5.3)	(1.7)
Total comprehensive income for the period	29.3	57.8	32.3	12.9	44.2
Profit attributable to:					
Owners of the Company	16.5	38.6	35.0	14.8	42.5
Non-controlling interests	4.3	4.2	4.5	3.4	3.4
Total comprehensive income attributable to:					
Owners of the Company	24.5	53.1	27.8	9.5	40.8
Non-controlling interests	4.7	4.7	4.4	3.4	3.3

Consolidated Statement of Financial Position (OMR)

	As at Ended 31 December			As at 30 September
	2021	**2022**	**2023**	**2024**
		(OMR millions)		
ASSETS				
Non-current assets				
Property, vessels and equipment	774.8	679.6	636.3	625.7
Intangible assets	—	—	—	0.2
Right-of-use assets	40.5	88.4	135.0	134.3
Equity-accounted investees	33.3	25.5	24.2	25.0
Financial assets at amortised cost	146.1	138.8	130.9	119.0
Derivatives	1.3	5.3	0.7	0.4
Deferred tax assets	2.7	4.5	6.6	7.5
Fixed term and margin deposits	—	—	—	7.7
Financial assets at fair value through other comprehensive income	—	—	—	—
Total non-current assets	998.6	942.2	933.8	919.8
Current assets				
Financial assets at amortised cost	6.0	6.8	7.7	13.8
Trade receivables	12.5	18.5	12.8	21.1
Derivatives	—	5.2	2.6	1.2
Contract assets	4.3	8.3	2.4	1.9
Other financial assets at amortised cost	1.4	4.6	4.1	3.4
Cash and cash equivalents	16.8	50.4	52.0	33.3
Fixed term and margin deposits	80.9	79.3	123.8	102.7
Other current assets	8.1	16.8	16.1	15.7

	As at Ended 31 December			As at 30 September 2024
	2021	2022	2023	
Inventories	14.7	12.2	9.3	8.0
Total current assets	144.7	202.1	230.8	201.1
Total assets	1,143.3	1,144.3	1,164.6	1,120.9
EQUITY AND LIABILITIES				
EQUITY				
Share capital	130.2	130.2	130.2	130.2
Legal reserves	9.2	11.7	16.7	18.1
Cumulative changes in fair value	(4.1)	10.3	3.2	1.5
Retained earnings	247.7	283.8	275.8	296.9
Equity attributable to the owners of the Company	383.0	436.1	425.9	446.7
Non-controlling interests	16.9	17.7	17.9	19.3
Total equity	399.9	453.7	443.8	466.1
LIABILITIES				
Non-current liabilities				
Loans and borrowings	553.8	502.1	435.9	412.3
Employee end of service benefits	0.4	0.6	0.9	0.9
Derivatives	2.2	0.0	0.0	0.0
Lease liabilities	24.8	58.8	76.1	71.9
Total non-current liabilities	581.2	561.5	513.0	485.1
Current liabilities				
Trade and other payables	70.5	35.4	42.2	21.8
Loans and borrowings	68.7	58.3	68.4	53.4
Derivatives	3.6	—	—	—
Income tax payable	0.2	0.1	0.0	0.0
Lease liabilities	17.3	32.3	84.4	79.1
Contract liabilities	1.9	3.0	12.7	15.4
Total current liabilities	162.2	129.1	207.8	169.7
Total liabilities	743.4	690.6	720.7	654.8
Total equity and liabilities	1,143.3	1,144.3	1,164.6	1,120.9

Consolidated Statement of Cash Flows (OMR)

	Year Ended 31 December			Nine Months Ended 30 September	
	2021	2022	2023	2023	2024
			(OMR millions)		
Net cash generated from operating activities	66.8	78.1	182.5	130.9	114.3

	Year Ended 31 December			Nine Months Ended 30 September	
Net cash (used in)/generated from investing activities	(61.3)	46.2	(11.4)	(51.4)	0.0
Net cash used in financing activities	(89.1)	(89.0)	(177.6)	(105.9)	(124.7)
Net (decrease)/increase in cash and cash equivalents	(83.6)	35.3	(6.6)	(26.3)	(10.4)
Cash and cash equivalents at beginning of the period	98.6	15.1	50.3	50.3	43.8
Cash and cash equivalents at end of the period	15.1	50.3	43.8	24.0	33.3

Other Financial and Operational Data (OMR)

The following table sets out certain financial and operating data of the Company as at and for the years ended 31 December 2021, 2022 and 2023 and the nine months ended 30 September 2023 and 2024:

	Year Ended 31 December			Nine Months Ended 30 September	
	2021	**2022**	**2023**	**2023**	**2024**
	(OMR millions, except percentages)				
TCE Revenue[1][2]	181.1	250.1	282.0	212.4	236.1
Crude Shipping TCE Revenue[1][3]	39.3	63.6	93.8	71.9	65.9
Products Shipping TCE Revenue[1][4]	28.4	49.4	77.0	55.5	73.6
Dry Bulk Shipping TCE Revenue[1][5]	53.8	62.4	54.2	40.6	41.1
Gas Shipping TCE Revenue[1][6]	36.9	42.4	51.1	38.2	37.5
Liner Shipping TCE Revenue[1][7]	21.3	30.8	4.5	5.2	16.9
Other TCE Revenue[1][8]	1.4	1.5	1.5	1.0	1.2
EBITDA[1][2]	106.3	153.1	187.5	124.9	163.0
Crude Shipping EBITDA[1][3]	17.2	35.8	93.6	58.7	48.4
Products Shipping EBITDA[1][4]	14.7	21.7	58.2	41.7	61.1
Dry Bulk Shipping EBITDA[1][5]	40.0	42.2	34.5	25.8	23.0
Gas Shipping EBITDA[1][6]	29.3	33.3	40.2	30.4	28.1
Liner Shipping EBITDA[1][7]	13.7	30.2	(26.3)	(23.4)	13.7
Other TCE EBITDA[1][8]	(8.8)	(10.1)	(12.8)	(8.2)	(11.2)
EBITDA Margin[1][2]	58.7%	61.2%	66.5%	58.8%	69.0%
Adjusted EBITDA[1][2]	105.3	158.9	184.0	139.5	162.9
Adjusted EBITDA Margin[1][2]	58.2%	63.5%	65.2%	65.7%	69.0%
Cash Flow Margin[1][9]	37.0%	31.2%	64.5%	—	48.2%
Net Debt (excluding leases)[1][10]	524.8	430.8	328.6	—	322.0
Net Leverage (excluding leases)[1][10]	5.0x	2.7x	1.8x	—	1.6x
Net Debt (including leases)[10]	566.9	521.9	489.1	—	473.0
Net Leverage (including leases)[10]	5.4x	3.3x	2.7x	—	2.3x

Notes:

(1) For the definitions of all Non-IFRS information and other operational data used, see "*Presentation of Financial, Industry and Market Data—Non-IFRS Information and Certain Other Financial and Operational Data*".

(2) The following table sets forth a reconciliation of TCE Revenue, EBITDA, EBITDA Margin, Adjusted EBITDA and Adjusted EBITDA Margin to revenue and gross profit for the periods indicated:

	Year Ended 31 December			**Nine Months Ended 30 September**	
	2021	**2022**	**2023**	**2023**	**2024**
	(OMR millions, except percentages)				
Revenue	243.8	348.1	363.7	274.6	274.9
Voyage operating costs	(62.7)	(98.1)	(81.7)	(62.2)	(38.8)
TCE Revenue	**181.1**	**250.1**	**282.0**	**212.4**	**236.1**
Gross profit	52.8	90.0	82.8	67.0	83.2
Gain / (loss) on sale of property, vessels and equipment	—	(0.7)	18.0	—	—
Other income	0.3	0.6	7.5	7.4	0.3
Dividend income	—	1.0	0.1	0.1	0.1
Impairment reversal / (losses) on financial and contract assets	0.2	(0.2)	0.1	0.1	(0.3)
Commercial expenses	(4.9)	(8.0)	(8.1)	(6.6)	(5.4)
General and administrative expenses	(8.5)	(10.9)	(12.6)	(7.8)	(11.0)
Impairment losses on right-of-use assets	—	—	(22.3)	(22.3)	—
Depreciation	66.7	81.4	121.9	86.9	96.1
EBITDA(a)	**106.3**	**153.1**	**187.5**	**124.9**	**163.0**
TCE Revenue(b)	181.1	250.1	282.0	212.4	236.1
EBITDA Margin (a over b)	**58.7%**	**61.2%**	**66.5%**	**58.8%**	**69.0%**
Correction of errors	(1.2)	—	—	—	—
One-off gain (loss) on sale of fixed assets	—	0.7	(18.0)	(0.0)	(0.0)
Other income adjustments[2]	0.3	(0.6)	(7.5)	(7.4)	(0.3)
Dividend income	—	(1.0)	(0.1)	(0.1)	(0.1)
Impairment losses on financial & contract assets	0.2	0.2	(0.1)	(0.1)	0.3
Impairment losses on right-of-use assets	—	—	22.3	22.3	—
Capex policy changes	—	6.4	—	—	—
Travel	(0.3)	—	—	—	—
Total Adjustments	(1.0)	5.8	(3.4)	14.6	(0.1)
Adjusted EBITDA(c)	**105.3**	**158.9**	**184.0**	**139.5**	**162.9**

[2] Other income adjustments include recoveries from previously written off debtors, income from sale of fixed assets, insurance claims, building rent income and other adjustments.

	Year Ended 31 December			Nine Months Ended 30 September	
	2021	2022	2023	2023	2024
	(OMR millions, except percentages)				
TCE Revenue[b] ...	181.1	250.1	282.0	212.4	236.1
Adjusted EBITDA Margin [c over b] ...	**58.2%**	**63.5%**	**65.2%**	**65.7%**	**69.0%**

(3) The following table sets forth a reconciliation of TCE Revenue and EBITDA to revenue and gross profit, respectively, for the Crude Shipping segment for the periods indicated:

	Year Ended 31 December			Nine Months Ended 30 September	
	2021	2022	2023	2023	2024
	(OMR millions)				
Crude Shipping revenue ...	75.0	116.7	118.6	91.1	74.4
Voyage operating costs ...	(35.7)	(53.1)	(24.8)	(19.2)	(8.4)
Crude Shipping TCE Revenue ...	39.3	63.6	93.8	71.9	65.9
Crude Shipping gross profit ...	(14.7)	3.7	38.5	30.8	23.2
Gain / (loss) on sale of property, vessels and equipment ...	—	—	—	—	—
Other income[1] ...	—	0.4	21.5	3.4	—
Dividend income ...	—	—	—	—	—
Impairment reversal / (losses) on financial and contract assets ...	(0.1)	(0.2)	0.2	—	(0.1)
Commercial expenses ...	(1.7)	(3.4)	(3.1)	(2.5)	(1.5)
General and administrative expenses ...	—	—	—	—	—
Impairment losses on right-of-use assets ...	—	—	—	—	—
Depreciation ...	33.7	(36.0)	(36.5)	(27.0)	(26.8)
Crude Shipping EBITDA ...	17.2	35.8	93.6	58.7	48.4

Note:

(1) Other income for the Crude Shipping segment includes gain / (loss) on sale of property, vessels and equipment.

(4) The following table sets forth a reconciliation of TCE Revenue and EBITDA to revenue and gross profit, respectively, for the Products Shipping segment for the periods indicated:

	Year Ended 31 December			Nine Months Ended 30 September	
	2021	2022	2023	2023	2024
			(OMR millions)		
Products Shipping revenue	30.2	57.7	83.0	61.1	74.2
Voyage operating costs	(1.8)	(8.3)	(6.0)	(5.7)	(0.7)
Products Shipping TCE Revenue	28.4	49.4	77.0	55.5	73.6
Products Shipping gross profit	8.1	15.5	17.4	12.5	19.7
Gain / (loss) on sale of property, vessels and equipment	—	—	—	—	—
Other income	—	—	2.8	2.8	—
Dividend income	—	—	—	—	—
Impairment reversal / (losses) on financial and contract assets	—	—	—	0.4	(0.1)
Commercial expenses	(0.3)	(1.2)	(1.6)	(1.2)	(0.8)
General and administrative expenses	—	—	—	—	—
Impairment losses on right-of-use assets	—	—	—	—	—
Depreciation	6.9	7.3	39.6	27.2	42.4
Products Shipping EBITDA	14.7	21.7	58.2	41.7	61.1

(5) The following table sets forth a reconciliation of TCE Revenue and EBITDA to revenue and gross profit, respectively, for the Dry Bulk Shipping segment for the periods indicated:

	Year Ended 31 December			Nine Months Ended 30 September	
	2021	2022	2023	2023	2024
			(OMR millions)		
Dry Bulk Shipping revenue	57.7	70.9	64.8	49.9	44.9
Voyage operating costs	(3.9)	(8.5)	(10.6)	(9.3)	(3.9)
Dry Bulk Shipping TCE Revenue	53.8	62.4	54.2	40.6	41.1
Dry Bulk Shipping gross profit	34.5	35.4	27.3	20.4	17.2
Gain / (loss) on sale of property, vessels and equipment	—	—	—	—	—
Other income	—	—	—	—	—
Dividend income	—	—	—	—	—
Impairment reversal / (losses) on financial and contract assets	—	—	—	—	—
Commercial expenses	(1.0)	(1.6)	(1.4)	(1.1)	(1.1)
General and administrative expenses	—	—	—	—	—

	Year Ended 31 December			Nine Months Ended 30 September	
	2021	2022	2023	2023	2024
			(OMR millions)		
Impairment losses on right-of-use assets ...	—	—	—	—	—
Depreciation	6.5	8.3	8.7	6.4	6.9
Dry Bulk Shipping EBITDA	40.0	42.2	34.5	25.8	23.0

(6) The following table sets forth a reconciliation of TCE Revenue and EBITDA to revenue and gross profit, respectively, for the Gas Shipping segment for the periods indicated:

	Year Ended 31 December			Nine Months Ended 30 September	
	2021	2022	2023	2023	2024
			(OMR millions)		
Gas Shipping revenue......................................	38.2	44.0	51.6	38.6	37.5
Voyage operating costs	(1.4)	(1.6)	(0.5)	(0.4)	—
Gas Shipping TCE Revenue............................	36.9	42.4	51.1	38.2	37.5
Gas Shipping gross profit................................	17.4	21.2	26.8	20.1	18.7
Gain / (loss) on sale of property, vessels and equipment	—	—	—	—	—
Other income	—	—	1.1	1.1	—
Dividend income	—	—	—	—	—
Impairment reversal / (losses) on financial and contract assets	—	—	—	—	—
Commercial expenses	(0.1)	(0.2)	(0.2)	(0.1)	(0.1)
General and administrative expenses.........	—	—	—	—	—
Impairment losses on right-of-use assets ...	—	—	—	—	—
Depreciation	12.1	12.3	12.6	9.3	9.5
Gas Shipping EBITDA	29.4	33.3	40.2	30.4	28.1

(7) The following table sets forth a reconciliation of TCE Revenue and EBITDA to revenue and gross profit, respectively, for the Liner Shipping segment for the periods indicated:

	Year Ended 31 December			Nine Months Ended 30 September	
	2021	2022	2023	2023	2024
			(OMR millions)		
Liner Shipping revenue...................................	41.1	57.3	44.2	32.8	42.7

	Year Ended 31 December			Nine Months Ended 30 September	
	2021	2022	2023	2023	2024
			(OMR millions)		
Voyage operating costs	(19.8)	(26.5)	(39.8)	(27.7)	(25.8)
Liner Shipping TCE Revenue	21.3	30.8	4.5	5.2	16.9
Liner Shipping gross profit	6.6	13.1	(28.1)	(17.5)	3.4
Gain / (loss) on sale of property, vessels and equipment	—	—	—	—	—
Other income	—	—	—	—	—
Dividend income	—	—	—	—	—
Impairment reversal / (losses) on financial and contract assets	—	—	0.1	(0.3)	0.1
Commercial expenses	—	—	—	—	—
General and administrative expenses	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Impairment losses on right-of-use assets	—	—	(22.3)	(22.3)	—
Depreciation	7.2	17.3	24.2	16.8	10.3
Liner Shipping EBITDA	13.7	30.2	(26.3)	(23.4)	13.7

(8) The following table sets forth a reconciliation of TCE Revenue and EBITDA to revenue and gross profit, respectively, for the Other segment for the periods indicated:

	Year Ended 31 December			Nine Months Ended 30 September	
	2021	2022	2023	2023	2024
			(OMR millions)		
Other Revenue	1.5	1.6	1.5	1.1	1.2
Voyage operating costs	(0.1)	(0.1)	(0.0)	(0.1)	(0.0)
Other TCE Revenue	1.4	1.5	1.5	1.0	1.2
Gross profit	0.9	1.0	1.0	0.7	1.2
Gain / (loss) on sale of property, vessels and equipment	—	—	—	—	—
Other income	0.1	0.1	0.1	0.1	0.3
Dividend income	—	1.0	0.1	0.1	0.1
Impairment reversal / (losses) on financial and contract assets	(0.0)	(0.1)	(0.1)	(0.0)	(0.2)
Commercial expenses	(1.7)	(1.7)	(1.8)	(1.7)	(1.8)
General and administrative expenses	(8.3)	(10.6)	(12.4)	(7.7)	(10.9)
Impairment losses on right-of-use assets	—	—	—	—	—

	Year Ended 31 December			Nine Months Ended 30 September	
	2021	2022	2023	2023	2024
			(OMR millions)		
Depreciation	0.3	0.3	0.2	0.2	0.2
Other EBITDA	(8.7)	(10.1)	(12.8)	(8.2)	(11.2)

(9) The following table sets forth a reconciliation of Cash Flow Margin to net cash generated from operating profit (referencing TCE Revenue as is reconciled in the table in note 2 above) for the periods indicated:

	Year Ended 31 December			Nine Months Ended 30 September	
	2021	2022	2023	2023	2024
		(OMR millions, except percentages)			
Operating cash flow[a]	67.0	78.1	182.0	—	113.7
TCE Revenue[b]	181.1	250.1	282.0	—	236.1
Cash Flow Margin [a over b]	**37.0%**	**31.2%**	**64.5%**	—	**48.2%**

(10) The following table sets forth a reconciliation of Net Debt (excluding leases) and Net Leverage to the relevant items in the combined statement of financial position in the Financial Statements (referencing Adjusted EBITDA as is reconciled in the table in note 2 above) for the periods indicated:

	Year Ended 31 December			Nine Months Ended 30 September	
	2021	2022	2023	2023	2024
		(OMR millions, except percentages)			
Loans and borrowings – non-current	553.8	502.1	435.9	—	412.3
Loans and borrowings – current	68.7	58.3	68.4	—	53.4
Cash and cash equivalents	(16.8)	(50.4)	(52.0)	—	(33.3)
Fixed term & margin deposits – non-current	—	—	—	—	(7.7)
Fixed term & margin deposits – current	(80.9)	(79.3)	(123.8)	—	(102.7)
Net Debt (excluding leases)[a]	**524.8**	**430.8**	**328.6**	—	**322.0**
Net Debt (including leases)[b]	**566.9**	**521.9**	**489.1**	—	**473.0**
Adjusted EBITDA[c]	**105.3**	**158.9**	**184.0**	—	**162.9**
Net Leverage (excluding leases) [a over c]	**5.0x**	**2.7x**	**1.8x**	—	**1.6x**
Net Leverage (including lease) [b over c]	**5.4x**	**3.3x**	**2.7x**	—	**2.3x**

Consolidated Statement of Profit or Loss and Other Comprehensive Income (USD)[(1)]

	Year Ended 31 December			Nine Months Ended 30 September	
	2021	2022	2023	2023	2024
			(U.S.$ millions)		
Revenue from contracts with customers	485.4	692.0	563.7	291.5	211.1
Operating lease income	99.7	166.0	337.0	388.6	471.2
Finance lease income	48.2	46.2	44.0	33.2	31.6
Revenue	633.3	904.2	944.7	713.3	713.9
Voyage operating costs	(163.0)	(254.7)	(212.2)	(161.6)	(100.7)
Charter hire expenses for short term vessel hires	(33.8)	(57.3)	(74.4)	(58.3)	(48.2)
Vessel operating costs	(299.4)	(358.5)	(443.0)	(319.4)	(349.0)
Gross profit	137.1	233.6	215.1	173.9	216.1
Other income...	0.8	1.5	19.5	19.2	0.8
Dividend income	—	2.5	0.4	0.4	0.3
Commercial expenses............................	(12.7)	(20.8)	(21.0)	(17.1)	(14.0)
General and administrative expenses	(22.0)	(28.2)	(32.7)	(20.3)	(28.7)
Impairment reversal / (losses) on financial and contract assets	(0.6)	(0.6)	0.3	0.3	(0.7)
Impairment losses on right-of-use assets	—	—	(58.0)	(58.0)	—
Gain / (loss) on sale of property, vessels and equipment	—	(1.9)	46.9	—	—
Operating profit...	102.7	186.1	170.3	98.6	173.8
Finance costs...	(66.0)	(67.0)	(110.0)	(81.8)	(77.7)
Finance income	9.8	5.2	34.0	28.7	18.6
Share of results of equity-accounted-investees...	8.6	(17.6)	2.6	1.5	2.4
Profit before tax	55.0	106.7	96.9	46.9	117.2
Income tax credit..................................	(1.1)	4.4	5.7	0.2	2.1
Profit for the period......................................	53.8	111.1	102.6	47.3	119.2
Other comprehensive income for the period, net of tax	22.1	38.9	(18.7)	(13.7)	(4.5)
Total comprehensive income for the period	76.1	150.0	84.0	35.5	114.7
Profit attributable to:					
Owners of the Company	42.7	100.2	90.8	38.5	110.4
Non-controlling interests	11.1	10.9	11.7	8.8	8.8
Total comprehensive income attributable to:					
Owners of the Company	63.8	137.8	72.3	24.8	106.1
Non-controlling interests	12.3	12.3	11.5	8.8	8.6

Note:

(1) Conversions of amounts between Omani Rials and U.S. Dollars have been made at an exchange rate of U.S.$1.00 = OMR 0.385.

Consolidated Statement of Financial Position (USD)[1]

	As at Ended 31 December			As at 30 September
	2021	2022	2023	2024
		(U.S.$ millions)		
ASSETS				
Non-current assets				
Property, vessels and equipment	2,012.5	1,765.2	1,652.6	1,625.3
Intangible assets	—	—	—	0.5
Right-of-use assets	105.1	229.6	350.8	348.9
Equity-accounted investees	86.5	66.3	62.9	64.9
Financial assets at amortised cost	379.4	360.6	340.0	309.0
Derivatives	3.3	13.9	1.9	0.9
Deferred tax assets	7.0	11.6	17.2	19.4
Fixed term and margin deposits	—	—	—	20.0
Financial assets at fair value through other comprehensive income	—	—	—	—
Total non-current assets	2,593.8	2,447.2	2,425.5	2,389.0
Current assets				
Financial assets at amortised cost	15.6	17.8	20.0	35.8
Trade receivables	32.5	48.1	33.2	54.8
Derivatives	—	13.5	6.7	3.1
Contract assets	11.1	21.7	6.2	4.8
Other financial assets at amortised cost	3.6	12.0	10.7	8.8
Cash and cash equivalents	43.7	130.8	135.1	86.6
Fixed term and margin deposits	210.1	205.9	321.6	266.7
Other current assets	21.1	43.6	41.9	46.8
Inventories	38.2	31.7	24.2	20.9
Total current assets	375.8	525.0	599.4	522.3
Total assets	2,969.6	2,972.2	3,024.9	2,911.4
EQUITY AND LIABILITIES				
EQUITY				
Share capital	338.2	338.2	338.2	338.2
Legal reserves	24.0	30.4	43.3	47.0
Cumulative changes in fair value	(10.7)	26.8	8.3	3.9
Retained earnings	643.4	737.2	716.4	771.2

	As at Ended 31 December			As at 30 September 2024
	2021	2022	2023	
Equity attributable to the owners of the Company	994.8	1,132.6	1,106.2	1,160.4
Non-controlling interests	44.0	45.9	46.6	50.3
Total equity	1,038.8	1,178.5	1,152.8	1,210.6
LIABILITIES				
Non-current liabilities				
Loans and borrowings	1,438.5	1,304.2	1,132.3	1,071.0
Employee end of service benefits	1.1	1.5	2.3	2.2
Derivatives	5.6	—	—	0.1
Lease liabilities	64.4	152.7	197.8	186.7
Total non-current liabilities	1,509.5	1,458.4	1,332.4	1,260.0
Current liabilities				
Trade and other payables	183.2	91.9	109.6	56.6
Loans and borrowings	178.5	151.5	177.7	138.8
Derivatives	9.3	—	—	—
Income tax payable	0.5	0.2	—	0.0
Lease liabilities	44.9	83.9	219.3	205.5
Contract liabilities	4.9	7.7	33.0	39.9
Total current liabilities	421.3	335.2	539.6	440.8
Total liabilities	1,930.8	1,793.7	1,872.1	1,700.8
Total equity and liabilities	2,969.6	2,972.2	3,024.9	2,911.4

Note:

(1) Conversions of amounts between Omani Rials and U.S. Dollars have been made at an exchange rate of U.S.$1.00 = OMR 0.385.

Consolidated Statement of Cash Flows (USD)[(1)]

	Year Ended 31 December			Nine Months Ended 30 September	
	2021	2022	2023	2023	2024
			(U.S.$ millions)		
Net cash generated from operating activities	173.6	202.7	473.9	340.0	296.9
Net cash (used in)/generated from investing activities	(159.2)	120.0	(29.6)	(133.5)	0.0
Net cash used in financing activities	(231.4)	(231.2)	(461.3)	(275.1)	(323.9)
Net (decrease)/increase in cash and cash equivalents	(217.1)	91.7	(17.1)	(68.3)	(27.0)

	Year Ended 31 December			Nine Months Ended 30 September	
Cash and cash equivalents at beginning of the period..	256.1	39.2	130.6	130.6	113.8
Cash and cash equivalents at end of the period..	39.2	130.6	113.8	62.3	86.5

Notes:

(1) The full statements of cash flows for the periods indicated are included in the Combined Financial Statements. See "*Chapter XXVI—Historical Financial Statements*".

(2) Conversions of amounts between Omani Rials and U.S. Dollars have been made at an exchange rate of U.S.$1.00 = OMR 0.385.

Other Financial and Operational Data (USD)[1]

The following table sets out certain financial and operating data of the Company as at and for the years ended 31 December 2021, 2022 and 2023 and the nine months ended 30 September 2023 and 2024:

	Year Ended 31 December			Nine Months Ended 30 September	
	2021	**2022**	**2023**	**2023**	**2024**
	(U.S.$ millions, except percentages)				
TCE Revenue..	470.3	649.5	732.5	551.6	613.3
Crude Shipping TCE Revenue[2][4]	102.1	165.3	243.7	186.8	171.2
Products Shipping TCE Revenue[2][5]	73.8	128.3	199.9	144.1	191.0
Dry Bulk Shipping TCE Revenue[2][6] ...	139.6	162.1	140.7	105.5	106.6
Gas Shipping TCE Revenue[2][7]...........	95.8	110.1	132.7	99.2	97.5
Liner Shipping TCE Revenue[2][8]	55.3	79.9	11.7	13.5	43.8
Other TCE Revenue[2][9]	3.7	3.8	3.8	2.7	3.1
EBITDA	276.0	397.6	486.9	324.4	423.3
Crude Shipping EBITDA[2][4]	44.6	93.0	243.1	152.5	125.6
Products Shipping EBITDA[2][5]	38.3	56.3	151.2	108.2	158.8
Dry Bulk Shipping EBITDA[2][6]	104.0	109.5	89.7	66.9	59.7
Gas Shipping EBITDA[2][7]...................	76.2	86.5	104.4	78.9	72.9
Liner Shipping EBITDA[2][8]	35.6	78.5	(68.3)	(60.8)	35.5
Other EBITDA[2][2]	(22.7)	(26.2)	(33.2)	(21.3)	(29.2)
EBITDA Margin[2]...	58.7%	61.2%	66.5%	58.8%	69.0%
Adjusted EBITDA[2]	273.5	412.7	478.0	362.3	423.0
Adjusted EBITDA Margin[2]..........................	58.2%	63.5%	65.2%	65.7%	69.0%
Cash Flow Margin[10]	37.0%	31.2%	64.5%	—	48.2%
Net Debt (excluding leases)[11]	1,363.1	1,118.9	853.4	—	836.5
Net Leverage (excluding leases)[11]	5.0x	2.7x	1.8x	—	1.6x
Net Debt (including leases)[11]........................	1,472.5	1,355.5	1,270.5	—	1,228.6

	Year Ended 31 December			Nine Months Ended 30 September	
Net Leverage (including leases) [11]	5.4x	3.3x	2.7x	—	2.3x

Notes:

(1) Conversions of amounts between Omani Rials and U.S. Dollars have been made at an exchange rate of U.S.$1.00 = OMR 0.385.

(2) For the definitions of all Non-IFRS information and other operational data used, see "*Presentation of Financial, Industry and Market Data—Non-IFRS Information and Certain Other Financial and Operational Data*".

(3) The following table sets forth a reconciliation of TCE Revenue, EBITDA, EBITDA Margin, Adjusted EBITDA and Adjusted EBITDA Margin to revenue and gross profit for the periods indicated:

	Year Ended 31 December			Nine Months Ended 30 September	
	2021	**2022**	**2023**	**2023**	**2024**
	(U.S.$ millions, except percentages)				
Revenue	633.3	904.2	944.7	713.3	713.9
Voyage operating costs	(163.0)	(254.7)	(212.2)	(161.6)	(100.7)
TCE Revenue	470.3	649.5	732.5	551.6	613.3
Gross profit	137.1	233.6	215.1	173.9	216.1
Gain / (loss) on sale of property, vessels and equipment	—	(1.9)	46.9	—	—
Other income	0.8	1.5	19.4	19.2	0.8
Dividend income	—	2.5	0.4	0.4	0.3
Impairment reversal / (losses) on financial and contract assets	0.6	(0.6)	0.3	0.3	(0.7)
Commercial expenses	(12.6)	(20.8)	(21.0)	(17.1)	(14.0)
General and administrative expenses	(22.0)	(28.2)	(32.7)	(20.3)	(28.7)
Impairment losses on right-of-use assets	—	—	(58.0)	(58.0)	—
Depreciation	173.4	211.5	316.6	225.7	249.6
EBITDA[a]	276.0	397.6	486.9	324.4	423.4
TCE Revenue[b]	470.3	649.5	732.5	551.6	613.3
EBITDA Margin [a over b]	**58.7%**	**61.2%**	**66.5%**	**58.8%**	**69.0%**
Correction of errors	(3.1)	—	—	—	—
One-off gain (loss) on sale of fixed assets	—	1.9	(46.9)	(0.0)	(0.0)
Other income adjustments[3]	0.8	(1.5)	(19.4)	(19.2)	(0.8)
Dividend income	—	(2.5)	(0.4)	(0.4)	(0.3)

[3] Other income adjustments include recoveries from previously written off debtors, income from sale of fixed assets, insurance claims, building rent income and other adjustments.

	Year Ended 31 December			Nine Months Ended 30 September	
	2021	2022	2023	2023	2024
	(U.S.$ millions, except percentages)				
Impairment losses on financial & contract assets	0.6	0.6	(0.3)	(0.3)	0.7
Impairment losses on right-of-use assets	—	—	58.0	58.0	—
Capex policy changes	—	16.6	—	—	—
Travel	(0.8)	—	—	—	—
Total Adjustments	(2.5)	15.1	(8.9)	37.9	(0.3)
Adjusted EBITDA[c]	273.5	412.7	478.0	362.3	423.0
TCE Revenue[b]	470.3	649.5	732.5	551.6	613.3
Adjusted EBITDA Margin [c over b]	**58.2%**	**63.5%**	**65.2%**	**65.7%**	**69.0%**

(4) The following table sets forth a reconciliation of TCE Revenue and EBITDA to revenue and gross profit, respectively, for the Crude Shipping segment for the periods indicated:

	Year Ended 31 December			Nine Months Ended 30 September	
	2021	2022	2023	2023	2024
	(U.S.$ millions)				
Crude Shipping revenue	194.8	303.1	308.1	236.6	193.1
Voyage operating costs	(92.8)	(137.8)	(64.4)	(49.8)	(21.9)
Crude Shipping TCE Revenue	102.1	165.3	243.7	186.8	171.2
Crude Shipping gross profit	(38.3)	9.7	100.1	79.9	60.2
Gain / (loss) on sale of property, vessels and equipment	—	—	—	—	—
Other income	0.2	1.1	55.9	8.9	—
Dividend income	—	—	—	—	—
Impairment reversal / (losses) on financial and contract assets	(0.3)	(0.6)	0.4	—	(0.4)
Commercial expenses	(4.5)	(8.8)	(8.0)	(6.4)	(3.9)
General and administrative expenses	(0.1)	(0.1)	(0.1)	(0.1)	(0.0)
Impairment losses on right-of-use assets	—	—	—	—	—
Depreciation	87.6	93.5	94.9	70.2	69.7
Crude Shipping EBITDA	44.6	93.0	243.1	152.5	125.6

(5) The following table sets forth a reconciliation of TCE Revenue and EBITDA to revenue and gross profit, respectively, for the Products Shipping segment for the periods indicated:

	Year Ended 31 December			Nine Months Ended 30 September	
	2021	2022	2023	2023	2024
			(U.S.$ millions)		
Products Shipping revenue	78.5	150.0	215.5	158.8	192.8
Voyage operating costs	(4.7)	(21.7)	(15.6)	(14.7)	(1.7)
Products Shipping TCE Revenue	73.8	128.3	199.9	144.1	191.0
Products Shipping gross profit	21.0	40.4	45.1	32.4	51.2
Gain / (loss) on sale of property, vessels and equipment	—	—	—	—	—
Other income	0.1	0.0	7.3	7.3	—
Dividend income	—	—	—	—	—
Impairment reversal / (losses) on financial and contract assets	(0.0)	(0.0)	(0.0)	1.0	(0.3)
Commercial expenses	(0.7)	(3.0)	(4.1)	(3.0)	(2.2)
General and administrative expenses	(0.0)	(0.1)	(0.1)	(0.0)	(0.0)
Impairment losses on right-of-use assets	—	—	—	—	—
Depreciation	18.0	19.0	103.0	70.5	110.0
Products Shipping EBITDA	38.3	56.3	151.2	108.2	158.8

(6) The following table sets forth a reconciliation of TCE Revenue and EBITDA to revenue and gross profit, respectively, for the Dry Bulk Shipping segment for the periods indicated:

	Year Ended 31 December			Nine Months Ended 30 September	
	2021	2022	2023	2023	2024
			(U.S.$ millions)		
Dry Bulk Shipping revenue	149.9	184.1	168.3	129.6	116.6
Voyage operating costs	(10.2)	(22.0)	(27.7)	(24.1)	(10.0)
Dry Bulk Shipping TCE Revenue	139.6	162.1	140.7	105.5	106.6
Dry Bulk Shipping gross profit	89.6	92.0	70.8	53.1	44.6
Gain / (loss) on sale of property, vessels and equipment	—	—	—	—	—
Other income	0.1	—	—	—	—
Dividend income	—	—	—	—	—
Impairment reversal / (losses) on financial and contract assets	—	0.1	(0.1)	—	0.0
Commercial expenses	(2.7)	(4.0)	(3.6)	(2.7)	(2.8)

	Year Ended 31 December			Nine Months Ended 30 September	
	2021	2022	2023	2023	2024
			(U.S.$ millions)		
General and administrative expenses	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Impairment losses on right-of-use assets	—	—	—	—	—
Depreciation	17.1	21.5	22.7	16.6	17.9
Dry Bulk Shipping EBITDA	104.0	109.5	89.7	66.9	59.7

(7) The following table sets forth a reconciliation of TCE Revenue and EBITDA to revenue and gross profit, respectively, for the Gas Shipping segment for the periods indicated:

	Year Ended 31 December			Nine Months Ended 30 September	
	2021	2022	2023	2023	2024
			(U.S.$ millions)		
Gas Shipping revenue	99.3	114.3	134.0	100.2	97.4
Voyage operating costs	(3.5)	(4.2)	(1.3)	(1.0)	0.1
Gas Shipping TCE Revenue	95.8	110.1	132.7	99.2	97.5
Gas Shipping gross profit	45.2	55.0	69.5	52.3	48.6
Gain / (loss) on sale of property, vessels and equipment	—	—	—	—	—
Other income	—	—	2.7	2.7	—
Dividend income	—	—	—	—	—
Impairment reversal / (losses) on financial and contract assets	—	0.0	—	—	—
Commercial expenses	(0.3)	(0.4)	(0.5)	(0.3)	(0.3)
General and administrative expenses	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Impairment losses on right-of-use assets	—	—	—	—	—
Depreciation	31.3	31.9	32.7	24.2	24.6
Gas Shipping EBITDA	76.2	86.5	104.4	78.9	72.9

(8) The following table sets forth a reconciliation of TCE Revenue and EBITDA to revenue and gross profit, respectively, for the Liner Shipping segment for the periods indicated:

	Year Ended 31 December			Nine Months Ended 30 September	
	2021	2022	2023	2023	2024
			(U.S.$ millions)		
Liner Shipping revenue	106.7	148.7	114.9	85.3	110.8
Voyage operating costs	(51.4)	(68.8)	(103.2)	(71.8)	(67.0)
Liner Shipping TCE Revenue	55.3	79.9	11.7	13.5	43.8
Liner Shipping gross profit	17.3	34.0	(73.1)	(45.5)	8.7
Gain / (loss) on sale of property, vessels and equipment	—	—	—	—	—
Other income	0.1	0.0	0.0	0.0	—
Dividend income	—	—	—	—	—
Impairment reversal / (losses) on financial and contract assets	(0.1)	(0.0)	0.2	(0.8)	0.3
Commercial expenses	(0.1)	—	—	—	(0.1)
General and administrative expenses	(0.2)	(0.4)	(0.2)	(0.1)	(0.2)
Impairment losses on right-of-use assets	—	—	(58.0)	(58.0)	—
Depreciation	18.7	44.9	62.8	43.6	26.7
Liner Shipping EBITDA	35.6	78.5	(68.3)	(60.8)	35.5

(9) The following table sets forth a reconciliation of TCE Revenue and EBITDA to revenue and gross profit, respectively, for the Other segment for the periods indicated:

	Year Ended 31 December			Nine Months Ended 30 September	
	2021	2022	2023	2023	2024
			(U.S.$ millions)		
Other Revenue	3.9	3.8	3.8	2.9	3.2
Voyage operating costs	(0.2)	(0.0)	(0.0)	(0.2)	(0.1)
Other TCE Revenue	3.7	3.8	3.8	2.7	3.1
Gross profit	2.3	2.6	2.7	1.8	2.7
Gain / (loss) on sale of property, vessels and equipment	—	—	—	—	—
Other income	0.3	0.3	0.4	0.3	0.8
Dividend income	—	2.6	0.4	0.4	0.3
Impairment reversal / (losses) on financial and contract assets	—	(0.3)	(0.2)	(0.0)	(0.4)
Commercial expenses	(4.4)	(4.4)	(4.7)	(4.5)	(4.8)
General and administrative expenses	(21.6)	(27.5)	(32.2)	(19.9)	(28.4)

	Year Ended 31 December			Nine Months Ended 30 September	
	2021	2022	2023	2023	2024
			(U.S.$ millions)		
Impairment losses on right-of-use assets ...	—	—	—	—	—
Depreciation	0.8	0.8	0.6	0.6	0.6
Other EBITDA..	(22.7)	(26.2)	(33.2)	(21.3)	(29.2)

(10) The following table sets forth a reconciliation of Cash Flow Margin to net cash generated from operating profit (referencing TCE Revenue as is reconciled in the table in note 3 above) for the periods indicated:

	Year Ended 31 December			Nine Months Ended 30 September	
	2021	2022	2023	2023	2024
		(U.S.$ millions, except percentages)			
Operating Cash Flow[(a)]	173.9	211.1	472.8	—	342.1
TCE Revenue[(b)]	470.3	649.5	732.5	—	613.3
Cash Flow Margin [(a over b)]	**37.0%**	**31.2%**	**64.5%**	—	**48.2%**

(11) The following table sets forth a reconciliation of Net Debt (excluding leases) and Net Leverage to the relevant items in the combined statement of financial position in the Financial Statements (referencing Adjusted EBITDA as is reconciled in the table in note 3 above) for the periods indicated:

	Year Ended 31 December			Nine Months Ended 30 September	
	2021	2022	2023	2023	2024
		(U.S.$ millions, except percentages)			
Loans and borrowings – non-current	1,437.7	1,304.2	1,132.3	—	1,071.0
Loans and borrowings – current....................	178.4	151.5	177.7	—	138.8
Cash and cash equivalents	43.7	130.8	135.1	—	86.6
Fixed term & margin deposits – non-current.	0.1	—	—	—	20.0
Fixed term & margin deposits – current........	210.1	205.9	321.6	—	266.7
Net Debt (including leases)[(a)]	**1,472.5**	**1,355.5**	**1,270.5**	**—**	**1,228.6**
Net Debt (excluding leases)[(b)]...........................	**1,363.1**	**1,118.9**	**853.4**	**—**	**836.5**
Adjusted EBITDA[(c)]	273.5	412.7	478.0	—	423.0
Net Leverage (including leases)[(a over c)]............	**5.4x**	**3.3x**	**2.7x**	**—**	**2.3x**
Net Leverage (excluding leases)[(b over c)]	**5.0x**	**2.7x**	**1.8x**	**—**	**1.6x**

Chapter XIV
Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of the financial condition and results of operations of the Company should be read in conjunction with the information set out in "Chapter XIII—Selected Historical Financial Information" and the Financial Statements as of and for the years ended 31 December 2021, 2022 and 2023 and the nine months ended September 2023 and 2024 included elsewhere in this Prospectus. For a description of the financial information presented in this Prospectus, please see "Presentation of Financial, Industry and Market Data".

The following discussion contains certain forward-looking statements that reflect the Company's plans, estimates and beliefs and involve risks and uncertainties. Actual results may differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to those differences include, but are not limited to, those discussed below and elsewhere in this Prospectus, including under "Forward-Looking Statements", "Chapter IV—Risk Factors" and "Chapter XII—Description of the Company and Business Overview".

Overview

The Company is one of the leading players in deep-sea transportation, offering reliable and competitive shipping solutions to its diversified portfolio of blue-chip international and local customers. The Company provides diversified maritime shipping solutions to its customers, operating through five business segments:

- **Crude Shipping**: Through the Crude Shipping segment, the Company operates 12 owned VLCCs, four chartered-in Suezmaxes and two chartered-in Aframaxes transporting crude oil. The Company also has four VLCCs tankers under order. For the year ended 31 December 2023 and the nine months ended 30 September 2024, Crude Shipping revenue was OMR 118.6 million (U.S.$308.1 million) and OMR 74.4 million (U.S.$193.1 million), respectively (representing 32.6 per cent. and 27.1 per cent., respectively, of the Company's revenue). For the year ended 31 December 2023 and the nine months ended 30 September 2024, Crude Shipping TCE Revenue was OMR 93.8 million (U.S.$243.7 million) and OMR 65.9 million (U.S.$171.2 million), respectively.

- **Products Shipping**: Through the Products Shipping segment, the Company operates 13 owned and two co-owned and 19 chartered-in products tankers transporting liquid cargoes, including refined petroleum and chemical products. For the year ended 31 December 2023 and the nine months ended 30 September 2024, Products Shipping revenue was OMR 83.0 million (U.S.$215.5 million) and OMR 74.2 million (U.S.$192.8 million), respectively (representing 22.8 per cent. and 27.0 per cent., respectively, of the Company's revenue). For the year ended 31 December 2023 and the nine months ended 30 September 2024, Products Shipping TCE Revenue was OMR 77.0 million (U.S.$199.9 million) and OMR 73.6 million (U.S.$191.0 million), respectively.

- **Dry Bulk Shipping**: Through the Dry Bulk Shipping segment, the Company operates four owned VLOCs, seven owned Ultramax vessels, one chartered-in Ultramax vessel, three chartered-in Supramax vessels, two chartered-in Handymax vessels and one chartered-in Kamsarmax vessel carrying raw materials, refined products and finished goods under long-term contracts with metallurgical producers. For the year ended 31 December 2023 and the nine months ended 30 September 2024, Dry Bulk Shipping revenue was OMR 64.8 million (U.S.$168.3 million) and OMR 44.9 million (U.S.$116.6 million), respectively (representing 17.8 per cent. and 16.3 per cent., respectively, of the Company's revenue). For the year ended 31 December 2023 and the nine months ended 30 September 2024, Dry Bulk Shipping TCE Revenue was OMR 54.2 million (U.S.$140.7 million) and OMR 41.1 million (U.S.$106.6 million), respectively.

- **Gas Shipping**: Through the Gas Shipping segment, the Company operates five co-owned and one owned LNG carriers, one co-owned VLGC and one chartered-in MGC to transport LNG and LPG to markets around the world. The Company also has two eco-LNG carriers under order. For the year ended 31 December 2023 and the nine months ended 30 September 2024, Gas Shipping revenue was OMR 51.6 million (U.S.$134.0 million) and OMR 37.5 million (U.S.$97.4 million), respectively (representing 14.2 per cent. and 13.6 per cent., respectively, of the Company's revenue). For the year ended 31 December 2023 and the nine months ended 30 September 2024, Gas Shipping TCE Revenue was OMR 51.1 million (U.S.$132.7 million) and OMR 37.5 million (U.S.$97.5 million), respectively.

- **Liner Shipping**: Through the Liner Shipping segment, the Company's wholly-owned subsidiary ASL operates a network of maritime routes served by five container vessels. ASL plays a critical role connecting Omani ports to key global markets in the GCC, China, Southeast Asia and beyond through its regional network, offering container feeder solutions to main line operators ("**MLOs**") and commercial liner services. In addition, ASL offers a wide range of value-added services, from storage and transportation to customs clearance services, all within a flexible, trusted integrated logistics offering that appeals, in particular, to local customers. For the year ended 31 December 2023 and the nine months ended 30 September 2024, Liner Shipping revenue was OMR 44.2 million (U.S.$114.9 million) and OMR 42.7 million (U.S.$110.8 million), respectively (representing 12.2 per cent. and 15.5 per cent., respectively, of the Company's revenue). For the year ended 31 December 2023 and the nine months ended 30 September 2024, Liner Shipping TCE Revenue was OMR 4.5 million (U.S.$11.7 million) and OMR 16.9 million (U.S.$43.8 million), respectively.

For the definitions of all Non-IFRS information and other operational data used, see "*Presentation of Financial, Industry and Market Data—Non-IFRS Information and Certain Other Financial and Operational Data*".

In addition, the Company also provides ship chartering, cargo and voyage management, container and feeder services, and technical ship management services through its subsidiaries, including OCC, OSMC, ASMC, ASL and ASPL, allowing it to offer full-fledged maritime transportation services of the highest industry standards. OCC and ASPL oversee the Company's expanding chartering and broking activities, encompassing not only Company-owned vessels but third-party ships as well. OCC and ASPL also commercially manage several vessels that have been chartered-in to support the Company's customers. The large majority of the Company-owned vessels, including its VLCCs, VLOCs, LNG carriers, products tankers and dry bulk carriers, are managed in-house by OSMC.

Since its inception in 2003, the Company has supported the Omani government's vision to develop a national shipping fleet catering to the maritime transportation requirements of the country's rapidly growing hydrocarbon, petrochemical, mining and metallurgical industries. The Company is backed by the Oman Investment Authority, the investment arm of Oman, which provides access to a vast network of portfolio companies and leading national companies, making it a first-choice partner for key projects and clients in Oman. The Company's shipping operations play a crucial role in the Omani and wider GCC logistics and transportation sector, is the shipping company of choice for the Omani ecosystem and, as a sustainability champion, will help drive the decarbonisation of the Omani maritime industry.

The Company is a subsidiary of the broader Asyad Group, a national vertically integrated logistics provider with a strong network and brand recognition across regional and international markets. As part of the Asyad Group, the Company benefits from shared resources and access to an integrated suite of complementary services, including drydocks, repair and maintenance facilities, shared infrastructures (ports, free-zones, etc.)

and human resources (treasury, human resources, procurement, communication services, legal services and IT services).

With one of the largest globally diversified fleets, the Company is able to serve over 60 countries and is well positioned to supply high-growth markets, such as Asia, the Middle East and North Africa. The Company conducts its operations through its fleet of 89 vessels, of which 47 are owned or co-owned, 36 are chartered-in and 6 are currently under order, with a total aggregate capacity of more than 9.5 million DWT as at 30 September 2024. The Company's vessel fleet comprises:

- 22 crude tankers (16 VLCCs (four of which are under order), four Suezmax vessels and two Aframax vessels),
- 34 products tankers (27 MRs, two LR2s, two methanol carriers, two small tankers and one small chemical tanker),
- 18 dry bulk carriers (four VLOCs, eight Ultramax vessels, three Supramax vessels, two Handymax vessels and one Kamsarmax vessel),
- ten gas carriers (eight LNG carriers (two of which are under order), one VLGC and one MGC), and
- five container vessels (two Handymax vessels, one Handysize vessel, one Supramax vessel and one Panamax vessel).

For the year ended 31 December 2023 and the nine months ended 30 September 2024, the Company had revenue of OMR 363.7 million (U.S.$944.7 million) and OMR 274.9 million (U.S.$713.9 million), respectively, TCE Revenue of OMR 282.0 million (U.S.$732.5 million) and OMR 236.1 million (U.S.$613.3 million), respectively, Adjusted EBITDA of OMR 184.0 million (U.S.$478.0 million) and OMR 162.9 million (U.S.$423.0 million), respectively, and profit of OMR 39.5 million (U.S.$102.6 million) and OMR 45.9 million (U.S.$119.2 million), respectively. See "*Presentation of Financial, Industry and Market Data—Non-IFRS Information and Certain Other Financial and Operational Data*". For the definitions of all Non-IFRS information and other operational data used, see "*Presentation of Financial, Industry and Market Data—Non-IFRS Information and Certain Other Financial and Operational Data*".

Key Factors Affecting the Company's Operations

Operations were adversely impacted by Covid-19

Since 2023, the Company's operations have largely stabilised, with disruptions caused by the Covid-19 pandemic having eased and returned to pre-Covid levels. Crew rotations and delays in spare parts and consumables, which had previously hindered operations, have been resolved. The dry dock schedules, which were delayed due to late equipment deliveries during the pandemic, have now returned to normal, and the crude tanker segment has improved, allowing for better trade opportunities.

The global shipping industry has recovered from the economic challenges post-Covid, including high interest rates and supply chain disruptions. By 2023, TEU volumes had largely stabilised, and freight rates, which had dramatically fallen from 2022, are now aligning with pre-Covid levels. The Shanghai Container Freight Index dropped from 5,000 in 2022 to 1,000 in 2023, reflecting a return to pre-Covid rate levels. While recruitment and retention of shipping crew remains a challenge globally, the industry is gradually adapting, and the operational landscape has now largely returned to its pre-Covid state.

Shift towards charter hire operations

Revenue grew from OMR 243.8 million in FY2021 to OMR 363.7 in 2023 largely driven by an overall increase in vessel utilisation rates, freight rates driven by strong market demand, geographical expansion particularly for the liner shipping segment and an increase in the number of leased vessels. Gross profit margin, however, only slightly improved from 21.6 per cent. in 2021 to 22.8 per cent. in 2023. The Company had a strategic plan to shift towards charter hire operations as those were more profitable. The shift was most evident in late 2023 and in the nine months ended 30 September 2024 whereby charter hire income as a percentage of total revenue increased from 15.7 per cent. in 2021 to 35.7 per cent. in 2023, further increasing to 66.0 per cent. in the nine months ended 30 September 2024. This contributed to a significant improvement in the Company's gross profit margin to 30.3 per cent. in the nine months ended 30 September 2024 from 24.4 per cent in the nine months ended 30 September 2023.

Customer concentration

The Company's top five customers represented 32.0 per cent. of revenue between 2021 and 2023 (33.3 per cent. in the nine months ended 30 September 2024), with the top customer contributing on average 12.0 per cent. of total revenue during the 2021 to 2023 period, before dropping to 3.5 per cent. in the nine months ended 30 September 2024. The dependency on a limited customer base may leave the Company vulnerable to concentration risks and may adversely impact operations in the event of loss of business from one key customer, renewal of contracts on terms less favourable than those currently in effect or decrease in the level of business as in the case of the top customer.

Sensitivity to fluctuations in bunker prices

The Company is highly sensitive to changes in bunker prices. Bunker charges as a percentage of voyage operating costs increased from 60.8 per cent. in 2021 to 72.2 per cent. in 2022 as a result of (i) an increase in bunker prices to reach an average of OMR 835/MT in 2022 compared to OMR 509/MT in 2021 coupled with (ii) an increase in the quantity purchased by 33,397MT over the same period. As a percentage of total voyage expenses, bunker charges decreased to 52.7 per cent. in 2023 due to (i) a decrease in bunker prices to an average of OMR 658/MT coupled with a decrease in quantity purchased (-117,597MT). The drop in 2023 and the further drop to 45 per cent. of total voyage operating costs in the nine months ended 30 September 2024 reflected the Company's strategic shift towards time charter vessels, where bunker costs are borne by the third party chartering the vessel rather than the Company. The Company does not maintain bunker reserves or engage in hedging practices. Instead, bunker fuel is acquired per voyage requirements.

Significant capital expenditure (committed and planned) to replace aging vessels

As of 30 September 2024, 51.0 per cent. of the Company's vessels and dry dock assets had been fully depreciated. As part of the Company's vessel management strategy, it is focused on renewing its fleet and implementing preventive maintenance programs to improve the technical condition of its older tonnage.

In terms of fleet replacement, the Company sold three crude tankers (VLCC) vessels at a loss of OMR 0.7 million in 2022 and sold three additional crude tankers (VLCC) vessels in 2023 at a gain of OMR 18.0 million. The Company has committed to acquiring four new crude tankers (VLCCs), two of which are expected to be delivered in 2026, with the remaining two following in 2027. Additionally, as part of its expansion strategy, the Company plans to add two new gas shipping (LNG) vessels, in respect of which it had already paid OMR 37.6 million, with the balance of OMR 155.2 million outstanding. The LNG vessels are scheduled for delivery in 2026.

The Company intends to acquire 24 vessels over the next five years to maintain a "young" fleet and expand its existing operations. This expansion will involve a total investment of OMR 704.8 million across various segments, including investments already made in 2024. For further information regarding the Company's fleet development plan, see *"Chapter XII—Description of the Company and Business Overview"*.

Derivatives and hedging activities

In accordance with the requirements of the Company's loan agreements with certain commercial banks and with a view to cap its exposure to fluctuating interest rates, certain subsidiaries of the Group have entered into interest rate hedging agreements with commercial banks.

The Company had a favourable position with respect to interest rate swaps in 2023 and 2024 realising interest income from interest rate swap of OMR 4.4 million in 2023 (OMR 1.9 million in the nine months ended 30 September 2024) and a gain on swap breakage of OMR 3.4 million in 2023 (nil in 2022 and 2024).

The notional amounts (i.e. the amounts of underlying liability/ loans being hedged by the derivatives) amounted to OMR 55.8 million as at 30 September 2024, of which OMR 21.8 million matures within one year and the remaining balance of OMR 34.0 million matures between two to five years.

Master services agreement with Asyad Group

In 2022, the Company entered into the Existing Master Agreement with Asyad Group. This agreement outlines the shared services provided by Asyad Group to the Company and its subsidiaries. Prior to this arrangement, certain roles and responsibilities were handled by the Company's internal staff. However, with the agreement in place, these functions were centralised at the Asyad Group level.

As a result of entering into the agreement in 2022, the Company incurred a shared service expense of OMR 1.2 million in 2023. The Company amended the agreement in 2024 to adopt a revenue-sharing model (which is calculated as a fee payable on an annual basis in arrears by the Company to Asyad Group equal to 1 percent of the Company's audited annual revenue). The amended agreement resulted in the Company incurring OMR 2.7 million in shared service expenses in the nine months ended 30 September 2024.

Prior to Admission, the Company expects to enter into a New Service Level Agreement with Asyad Group, which will cover similar services as those set out under the Master Service Agreement. See *"Chapter XII—Description of the Company and Business Overview—Material Contracts—Service Agreements"*.

Shareholder loan from Asyad Group SAOC

On 22 January 2024, the Company signed a shareholder loan agreement with Asyad Group SAOC (lender) in the amount of OMR 100 million (the "Shareholder Loan Agreement") to be used solely for refinancing the Company's indebtedness under its then existing facilities (i.e. the facilities with Bank Muscat SAOG and Meethaq Islamic Banking, Bank Muscat SAOG utilised prior to the date of the Shareholder Loan Agreement in the aggregate amount of OMR 215.5 million). The interest on the loan is equal to the aggregate of (a) the rate of interest/profit payable by the Asyad Group under its then existing syndicated facility; plus (b) 0.25 per cent. per annum, and is subject to an additional interest charge of 1 per cent. on any unpaid amounts of interest at the date of the actual payment. The loan is repayable 131 months following the date of the agreement.

Forward-Looking Guidance and Targets

As part of the Company's strategy to position itself for long-term growth, it has set certain medium-term targets. These targets are not a profit forecast and no statement or projection in this Prospectus should be interpreted to mean that financial results for any financial periods would necessarily match or exceed historical financial results or meet the targets set out below. The Company has not defined the terms "short term" and "medium term" by reference to any specific period and, unless otherwise specified, the targets below are not to be read as indicating that the Company is targeting or expecting such metrics in respect of any particular financial year. The Company's ability to meet the 2024 and medium-term targets depends on a variety of factors, including market conditions and the accuracy of various assumptions involving factors that are beyond the Company's control, and are subject to known and unknown risks, uncertainties and other factors that may result in the

Company being unable to implement the strategy and achieve such targets. See "*Forward-Looking Statements*" and "*Chapter IV—Risk Factors—Risks Relating to the Company and its Business—The assumptions made in preparing the financial and operational targets included in this Prospectus may prove incorrect, incomplete or inaccurate, and the Company's results may differ materially from its financial and operational targets*". KPMG have not reviewed the medium-term targets and therefore do not express an opinion thereon.

Revenue

In 2024, the Company aims for its revenue to increase by low single digits, driven by additional chartered ships and partially offset by the sale of three VLCCs. In 2025, revenue is expected to remain broadly in line with 2024 due to less favourable conditions for some of the segments and expiration of a few profitable contracts. In 2026, revenue is targeted to grow by mid double digits, driven by the new vessels starting operations at competitive rates. Mid-to-high single digit growth is targeted in the medium term. The Company's guidance for its revenue takes into account anticipated movements of charter rates in line with market expectations and the cyclical nature of the industry.

EBITDA Margin

The Company anticipates its EBITDA Margin[4] to be in high fifties in 2024 and 2025 and to decline thereafter from mid-fifties in 2026 to over 50 per cent. in the medium term due to the expiration of profitable contracts.

Net Income Margin

The Company is aiming for its net income margin to reach the mid-teens in 2024, to grow by high single digits in 2025 and then by low-to-mid single digits in 2026 and through the medium-term.

Capital Expenditure / Divestments

The Company is targeting a high single digit internal rate of return ("**IRR**") for its projects, with projects within the Gas Shipping segment expected to exceed this IRR and projects within the Dry Bulk Shipping segment expected to be marginally lower than this IRR. Growth capital expenditure is expected to be approximately U.S.$70 million to U.S.$80 million in 2024 and approximately U.S.$2.3 billion and U.S.$2.7 billion for the period from 2025 to 2029, with U.S.$0.9 billion having already been committed.

Two VLCCs and one LNG vessel (corresponding to 10 to 20 per cent. of growth capital expenditure) are expected to be sold (with the vessel owning companies closed) in 2026; four LNG vessels, one VLCC and three product tankers (corresponding to approximately 40 per cent. of growth capital expenditure) are expected to be sold (with the vessel owning companies closed) in 2027, and one VLCC (corresponding to 10 to 20 per cent. of growth capital expenditure) is expected to be sold (with the vessel owning company closed) in 2028. Maintenance capital expenditure is expected to be in the range of U.S.$50 to U.S.$60 million per year in 2025 and 2026, and U.S.$30 to U.S.$40 million per year in the medium-term.

Capital Structure

The Company expects to finance its capital expenditure needs with 70 to 80 per cent. debt, taking into account its existing debt and assuming that any new debt is raised at six month U.S. Dollar Term SOFR plus 175 to 225 basis points. Net leverage (including lease liabilities) is targeted to be approximately 2.5 times EBITDA in 2025 and less than 3.5 times EBITDA in the medium-term.

Other

[4] For a discussion of how EBITDA Margin is calculated, see "*Presentation of Financial, Industry and Market Data—Non-IFRS Information and Certain Other Financial and Operational Data—Non-IFRS Information*" and "*Chapter XIII—Selected Historical Financial, Operating and Other Information—Other Financial and Operational Data*".

The Company expects its depreciation and amortisation as a percentage of revenue to steadily decline from the mid-thirties in 2025 to the mid-to-high twenties in the medium-term.

The effective tax rate on taxable income is expected to be 2 per cent. in the medium-term.

Net working capital as a percentage of revenue is expected to decline by 1 per cent. in 2024 and 2025, staying neutral in 2026 and increasing to approximately 1.5 per cent. in the medium-term.

Interest income is expected to be 4.5 per cent. in the short term and 4 per cent. in the medium-term.

Charter Rates

- *Crude Shipping*: Most of the Company's existing vessels (with few exceptions) in the Crude Shipping segment are already contracted at rates which are slightly below current one-year time charter rates. In the medium-term, some of the existing vessels will remain contracted and for the uncontracted portion, the Company expects to achieve rates in line with the then prevailing one-year time charter rates. The new vessels are not contracted and are expected to achieve rates in line with the then prevailing market rates.

- *Products Shipping*: The Company's existing vessels in the Products Shipping segment are contracted through 2025 and partly contracted through 2026 at rates which are slightly below current one-year time charter rates. In the medium-term, contracted vessels are expected to achieve rates that are slightly below the current one-year time charter rates and the new vessels are expected to achieve rates in line with the then prevailing market rates.

- *Dry Bulk Shipping*: In the short term, the existing Ultramax vessel is expected to achieve rates above one-year time charter rates. Any new dry bulk vessels are expected to be uncontracted with rates in line with the market. The existing VLOCs are contracted in the medium- to long-term at competitive rates.

- *Gas Shipping*: The Company's existing vessels in the Gas Shipping segment are contracted through 2025 at rates that are better than one-year time charter rates, while most vessels uncontracted from 2025 are expected to achieve market rates. New vessels have been contracted at rates significantly above current market rates.

- *Liner Shipping*: In the short term, the Liner Shipping segment's freight per TEU is expected to decline in line with the decongestion of the Red Sea over the next five years. In the medium-term, all rates are expected to be on a spot basis in line with the historical trends.

Results of Operations for the Financial Years ending 31 December 2021, 2022 and 2023 and the nine months ended 30 September 2023 and 2024

Statement of Profit or Loss

Table: Statement of profit or loss for the financial years ended 31 December 2021, 2022 and 2023, and the nine month period ended 30 September 2023 and 2024:

OMR in 000,s	Financial year			Annual Variance		CAGR	30 September		Period Variance
	2021	2022	2023	2021-2022	2022-2023	2021-2023	2023	2024	2023-2024
		(Audited)					*(reviewed)*	*(audited)*	
Revenue from contracts with customers....................	186,881	266,420	217,006	42.6%	(18.5)%	7.8%	112,211	81,291	(27.6)%

OMR in 000,s	Financial year			Annual Variance		CAGR	30 September		Period Variance
	2021	2022	2023	2021-2022	2022-2023	2021-2023	2023	2024	2023-2024
		(Audited)					*(reviewed)*	*(audited)*	
Charter hire income............	38,394	63,901	129,755	66.4%	103.1%	83.8%	149,625	181,421	21.3%
Finance lease income	18,541	17,796	16,956	(4.0)%	(4.7)%	(4.4)%	12,782	12,155	(4.))%
Revenue	243,816	348,117	363,717	42.8%	4.5%	22.1%	274,617	274,867	0.1%
Voyage operating costs	(62,744)	(98,053)	(81,701)	56.3%	(16.7)%	14.1%	(62,235)	(38,763)	(37.7)%
Charter hire expenses for short term vessel hires.........	(13,026)	(22,077)	(28,643)	69.5%	29.7%	48.3%	(22,451)	(18,566)	(17.3)%
Vessel operating costs.........	(115,270)	(138,036)	(170,570)	19.7%	23.6%	21.6%	(122,917)	(134,344)	9.3%
Gross profit	52,776	89,951	82,802	70.4%	(7.9)%	25.3%	67,013	83,194	24.2%
Other income	310	576	7,477	86.0%	1198.1%	391.3%	7,404	294	(96.0)%
Dividend income.................	—	960	148	NA	(84.6)%	NA	148	131	(11.4)%
Commercial expenses	(4,857)	(8,019)	(8,089)	65.1%	0.9%	29.1%	(6,567)	(5,403)	(17.7)%
General and administrative expenses.............................	(8,485)	(10,856)	(12,597)	27.9%	16.0%	21.8%	(7,808)	(11,034)	41.3%
Impairment losses on financial & contract assets ..	(215)	(248)	105	15.4%	(142.3)%	NA	130	(282)	(316.9)%
Impairment losses on right-of-use assets........................	—	—	(22,326)	NA	NA	NA	(22,326)	—	(100.0)%
Gain (loss) on sale of fixed assets..................................	—	(715)	18,041	NA	(2622.9)%	NA	2	3	70.3%
Operating profit	39,529	71,651	65,561	81.%%	(8.5)%	28.8%	37,997	66,902	76.3%
Finance costs.......................	(25,399)	(25,800)	(42,354)	1.6%	64.2%	29.1%	(31,491)	(29,901)	(5.0)%
Finance income...................	3,760	2,010	13,105	(46.5)%	552.1%	86.7%	11,050	7,165	(35.2)%
Share of results of equity-accounted-investees	3,268	(6,777)	998	(307.4)%	(114.7)%	(44.7)%	571	942	65.2%
Profit before tax	21,157	41,083	37,310	94.2%	(9.2)%	32.8%	18,125	45,108	148.9%
Income tax credit	(416)	1,701	2,179	(508.6)%	28.1%	NA	75	798	964.0%
Profit for the period..........	20,741	42,784	39,489	106.3%	(7.7)%	38.0%	18,201	45,906	152.2%
Other comprehensive income									
Items that will not be reclassified to profit or loss									
Equity-accounted investees - share of OCI........................	120	19	—	(83.8)%	(100.0)%	0.0%	—	—	NA
Cash flow hedges - effective portion of changes in FV.....	4,072	14,622	(2,823)	259.1%	(119.3)%	NA	(1,693)	199	(111.8)%
Cash flow hedges - reclassified to P&L	4,333	342	(4,388)	(92.1)%	(1383.0)%	NA	(3,574)	(1,949)	(45.5)%
Other comprehensive income for the period, net of tax	8,525	14,984	(7,211)	75.8%	(148.1)%	NA	(5,267)	(1,750)	(66.8)%
Total comprehensive income for the period........	29,266	57,769	32,278	97.4%	(44.1)%	5.0%	12,934	44,156	242.7%

KPIs

OMR in 000,s	Financial year			Annual Variance		CAGR	30 September		Period Variance
	2021	2022	2023	2021-2022	2022-2023	2021-2023	2023	2024	2023-2024
		(Audited)					*(reviewed)*	*(audited)*	
		As a % of revenue		Percentage points			As a % of revenue		Percentage points
Gross profit	21.6%	25.8%	22.8%	4.2	(3.1)	1.1	24.4%	30.3%	5.9
Operating profit	16.2%	20.6%	18.0%	4.4	(2.6)	1.8	13.8%	24.3%	10.5
Net income	8.5%	12.3%	10.9	3.8	(1.4)	2.4	6.6%	16.7%	10.1

Revenue

Revenue comprised (i) charter hire income (60.2 per cent. of total revenue between the nine month period ended 30 September 2023 and 2024), (ii) revenue from contracts with customers (35.2 per cent.), and (iii) finance lease income (4.5 per cent.).

Revenue increased by 42.8 per cent. from OMR 243.8 million in 2021 to OMR 348.1 million in 2022 mainly driven by (1) an increase in revenue from contracts with customers by (+OMR 79.5 million), mostly driven by an increase in (i) gas carriers following the increase in vessels overall utilisation, (ii) crude tankers due to rising overall freight rates, driven by strong market demand, (iii) products tankers in line with the increase in the number of leased products tankers and voyage contracts and (iv) containers as a result of expanding into new location (mainly China, Indonesia, Egypt, Vietnam and Thailand) coupled with overall increase in average rates per TEU and volumes and (2) an increase in charter hire income by (+OMR 25.5 million) due to the increase in dry bulk and crude tankers revenue as the company increased its chartering operations by chartering in more vessels.

Revenue further increased by 4.5 per cent. from OMR 348.1 million in 2022 to OMR 363.7 million in 2023 driven by the increase in charter hire income by (+OMR 65.9 million) on the back of the increase in crude tankers revenue as company increased its chartering activities, this was coupled with the increase in products tankers driven by the adding new charter hire contracts with better hire rates. This was partially offset by a decrease in revenue from contracts with customers by (-OMR 49.4 million) as the company has focused more on chartering vessels instead of providing freight services, which is more profitable.

Revenue increased slightly by 0.1 per cent. from OMR 274.6 million in the nine month period ended 30 September 2023 to OMR 274.9 million in the nine month period ended 30 September 2024 driven by the increase in charter hire income by (+OMR 31.8 million) in line with the company's strategy to expand its chartering operations. The increase mainly stemmed from products tankers and crude tankers. This was largely offset by a decrease in revenue from contracts with customers by mainly driven by the decrease in crude tankers, containers and dry bulk. Finance lease income has also slightly decreased by (-OMR 627 thousand) over the same period.

Cost of revenue

Cost of revenue comprise (i) vessel operating costs (46.8 per cent. of total revenue between the nine month period ended 30 September 2023 and 2024), (ii) voyage operating costs (18.4 per cent.), and (iii) charter hire expenses for short term vessel hires (7.5 per cent.).

Cost of revenue increased by 35.1 per cent. from OMR 191.0 million in 2021 to OMR 258.2 million in 2022 mainly driven by (1) an increase in voyage operating costs by (+OMR 35.3 million) largely attributable to the increase in bunker charges (+OMR 32.6 million), in line with higher fuel prices in 2022 to an average of OMR

835 per metric ton compared to OMR 509 per metric ton in 2021, in addition to an increase in the quantity purchased by 33,397 metric tons during the same period. (2) the increase in vessel operating costs (+OMR 22.8 million) due to the increase in depreciation on right-of-use assets (+OMR 14.6 million) resulting from the leasing of additional vessels along with the increase in maintenance and repair costs (+OMR 6.7 million) due to the change in the capitalisation guidelines in the financial year 2022. (3) the increase in charter hires expenses for short term vessel hires (+OMR 9.1 million) driven by an increase in the number of charter vessels from 19 in 2021 to 35 in 2022 in line with the expansion and growth in commercial activities. which was partially offset by a decrease in the average cost per vessel from OMR 686 thousand to OMR 631 thousand over the same period.

Cost of revenue increased by 8.8 per cent. from OMR 258.2 million in 2022 to OMR 281.0 million in 2023 driven by a further increase in (1) vessel operating costs by (+OMR 32.6 million) mainly due to higher depreciation on right-of-use assets (+OMR 44.4 million) attributable to the increase in number of vessels leased. This was partially offset by lower maintenance and repair costs (-OMR 6.1 million), and lower depreciation on owned assets (-OMR 3.9 million) related to the sale of vessels. (2) increase in charter hire expenses for short term vessel hires (+OMR 6.6 million) despite the decrease in the number of charter vessels to 29 in 2023 due to higher average cost per vessel to reach OMR 988 thousand and increase in charter voyages of vessels with higher cost (mix impact). This was partially offset by (1) the decrease in voyage operating costs (-OMR 16.4 million) attributable to the decrease in bunker charges (-OMR 27.7 million) in line with lower fuel prices to an average of OMR 658 per metric tonne, coupled with a decrease in quantity purchased by 117,597 metric tons over the same period. This was partially offset by higher voyage expenses (+OMR 11.2 million) due to commissioning of Asyad Line LLC resulting in higher container costs as well as dry-docking expenses of VLOCs in 2023.

Cost of revenue decreased by 7.7 per cent. from OMR 207.7 million in the nine month period ended 30 September 2023 to OMR 191.7 million in the nine month period ended 30 September 2024 mainly driven by a decrease in (1) voyage operating costs by (-OMR 23.5 million) attributable to the decrease in bunker charges (-OMR 15.0 million) as the Company shifts towards chartering whereby bunker cost is covered by third parties rather than the Company, along with the decrease in port charges by (-OMR 6.4 million) mainly related to the decrease in port expenses. (2) decrease in charter hire expenses for short term vessel hires (-OMR 3.9 million) despite the increase in the number of charter vessels from 33 to 40 during the period, due to lower average cost per vessel from OMR 680 thousand to OMR 464 thousand. This was partially offset by the increase in vessel operating costs by (+OMR 11.4 million) mainly due to higher depreciation on right-of-use assets (+OMR 11.7 million) attributable to the increase in number of vessels leased.

Gross Profit

Gross profit increased by 70.4 per cent. from OMR 52.8 million in 2021 to OMR 90.0 million in 2022, in line with the increase in revenues (+OMR 104.3 million) driven by higher revenues from contracts with customers (+OMR 79.5 million) and charter hire revenue (+OMR 25.5 million). This was partially offset by the increase in cost of revenues (+OMR 67.1 million) during the same period.

Gross profit decreased by 7.9 per cent. from OMR 90.0 million in 2022 to OMR 82.8 million in 2023, in line with the increase in cost of revenues (+OMR 22.8 million) during the same period.

Gross profit increased by 24.2 per cent. from OMR 67.0 million in the nine month period ended 30 September 2023 to OMR 83.2 million in the nine month period ended 30 September 2024 in line with the decrease in cost of revenues (-OMR 16.0 million).

Other income

Other income represents recoveries from previously written off debtors, reversal of withholding tax and rental income from buildings.

Other income increased by 86.0 per cent. from OMR 310 thousand in 2021 to OMR 576 thousand in 2022, mainly due to revenue generated from the sale of vessels during the 2022.

Other income increased by 1197.6 per cent. from OMR 576 thousand in 2022 to OMR 7.5 million in 2023, primarily due to recoveries from previously written-off debts from one of the Company's customers. Additionally, there was a reversal of withholding tax provisions totalling related to bare boat activities for the years 2012-2019. This reversal occurred after the Company received a notice from tax authorities in 2022 stating that withholding tax was not applicable on bare boat transactions, leading to the adjustment in 2023.

Other income decreased by 96.0 per cent. from OMR 7.4 million in the nine month period ended 30 September 2023 to OMR 294 thousand in the nine month period ended 30 September 2024 as the recoveries and reversals were during the nine month period ended 30 September 2023. other income in the nine month period ended 30 September 2024 includes rental income from the OSC building.

Dividend income

Dividend income pertains to dividends received from OJV3 (in which the Company has preference shares).

Dividend income increased from zero in 2021 to OMR 960 thousand in 2022, and subsequently decreased by 84.6 per cent. from OMR 960 thousand in 2022 to OMR 148 thousand in 2023, mainly due to the Company's share of OJV3 profits (as the Company holds preferred shares in OJV3).

Dividend income decreased by 11.4 per cent. from OMR 148 thousand in the nine month period ended 30 September 2023 to OMR 131 thousand in the nine month period ended 30 September 2024 mainly due to the Company's share of OJV3 profits.

Commercial expenses

Commercial expenses represent commission expenses paid to vessel chartering and pooling agencies (70.1 per cent. of total commercial expenses between the nine month period ended 30 September 2023 and 2024) and commercial staff costs (29.9 per cent.).

Commercial expenses increased by 65.1 per cent. from OM 4.9 million in 2021 to OMR 8.0 million in 2022 and then increased to OMR 8.1 million in 2023, mainly due to the expanded use of agencies in line with the growth in operations (mainly crude tankers chartering activities) and the expansion onto new geographical locations.

Commercial expenses decreased by 17.7 per cent. from OMR 6.6 million in the nine month period ended 30 September 2023 to OMR 5.4 million in the nine month period ended 30 September 2024 mainly due to the decrease in address commission by OMR 1.0 million due to decrease in crude tankers and bulk operations/ revenue.

General and administrative expenses

General and administrative expenses mainly consist of staff costs which constitute 81 per cent. of total general and administrative expenses during the historical period.

General and administrative expenses increased by 27.9 per cent. from OMR 8.5 million in 2021 to OMR 10.9 million in 2022, driven by an overall increase in headcount, some of which in managerial positions thus, contributing to an increase in the average salary per head.

General and administrative expenses increased by 16.0 per cent. from OMR 10.9 million in FY22 to OMR 12.6 million in FY23, driven by increase in staff benefits (bonus, PASI, travel, end of service) and the introduction of shared service fees allocated by Asyad Group onto the subsidiaries starting in 2023.

General and administrative expenses increased by 41.3 per cent. from OMR 7.8 million in the nine month period ended 30 September 2023 to OMR 11.0 million in the nine month period ended 30 September 2024 driven by increase in other administrative expenses by (+OMR 3.1 million), mainly attributable to shared service fees, following changes in the calculation methodology as well as slight increases in staff cost, office expenses, IT expenses among others.

Impairment reversals (losses) on financial assets and contract assets

Impairment losses on financial assets and contract assets increased by 15.4 per cent. from OMR 215 thousand in 2021 to OMR 248 thousand in 2022, mainly due to an increase in expected credit loss provision on trade receivables.

Impairment losses on financial assets and contract assets amounted to OMR 105 thousand in 2023, mainly due to an impairment reversal on expected credit loss provision on trade receivables.

Impairment on financial assets and contract assets recorded a gain amounting to OMR 130 thousand in the nine month period ended 30 September 2023, this was followed by a loss amounting to OMR 282 thousand in the nine month period ended 30 September 2024, mainly due to impairment charges on trade receivables.

Impairment losses on right-of-use assets

Impairment losses on right-of-use assets recorded OMR 22.3 million in 2023 (the same amount impacting the nine month period ended 30 September 2023), mainly due to poor business outlook in the container segment.

Gain (loss) on sale of fixed assets

The Company reported a loss on sale of fixed assets amounting to OMR 715 thousand in 2022 mainly due to the sale of three crude tankers and a gain of OMR 18.0m in 2023 from the sale of three crude vessels.

Gain on sale of fixed assets amounted to OMR 3 thousand in the nine month period ended 30 September 2024.

Finance costs

Finance costs consist mainly of interest expenses on loans, borrowings, and lease liabilities.

Finance cost remained stable at OMR 25.4 million and OMR 25.8 million in 2021 and 2022, respectively.

Finance cost increased by 64.2 per cent. from 25.8 million in 2022 to OMR 42.4 million in 2023 as the Company obtained a new facility in the amount of OMR 6.9 million, coupled with the increase in the number of leases and a significant increase in interest expense over the period (+OMR 11.0 million) resulting from the increase in SOFR with margins from (1.7 per cent. to 2.8 per cent.) in 2022 to (1.7 per cent. to 4.35 per cent.) in 2023.

Finance cost decreased by 5.0 per cent. from OMR 31.5 million in the nine month period ended 30 September 2023 to OMR 29.9 million in the nine month period ended 30 September 2024 mainly due to the decrease in interest expense (+OMR 1.6 million) following the settlement of loans which had an outstanding balance of OMR 215.5 and were settled in 2024. This decrease was partially offset by the increase in interest expenses resulting from a refinancing of the same amount which also took place in 2024.

Finance income

Finance income primarily includes interest income on fixed deposits and gains from interest rate swaps.

Finance income decreased by 46.5 per cent. from OMR 3.8 million in 2021 to OMR 2.0 million in 2022, mainly due to a decrease in interest income on fixed deposits by OMR 1.3 million as a result of the decline in interest rates and fixed deposit balance during the period.

Finance income increased by 552.1 per cent. from OMR 2.0 million in 2022 to OMR 13.1 million in 2023, driven by gains on closing of hedging SWAP agreements (+OMR 3.4 million) and interest rate swaps (+OMR 4.4 million) as well as increase in interest income (+OMR 3.3 million).

Finance income decreased by 35.2 per cent. from OMR 11.1 million in the nine month period ended 30 September 2023 to OMR 7.2 million in the nine month period ended 30 September 2024 following the decrease in SWAP breakage gain from OMR 3.4 million in the nine month period ended 30 September 2023 to nil in in the nine month period ended 30 September 2024, and unfavourable interest rate swap reporting a loss of -OMR 1.9 million in the nine month period ended 30 September 2024 compared to a gain in the nine month period ended 30 September 2023. This was partially offset with by the increase in interest income on term deposits by OMR 1.2 million, resulting from the increase in SOFR rate form an average of 5.05 per cent. to 5.75 per cent.

Share of results of equity-accounted-investees

Share of results of equity-accounted-investees represents the profit or loss from joint ventures accounted for under the equity method.

Share of results of equity-accounted-investees decreased by 307.4 per cent. from OMR 3.3 million in 2021 to –OMR 6.8 million in 2022 due to lower revenue from charter hire, higher operating expenses and recording losses in four out of six investments due to adverse market conditions.

Share of results of equity-accounted-investees increased by 114.7 per cent. to OMR 1.0 million in 2023 due to higher charter revenue coupled with lower operating costs decreasing from OMR 21.8 million in 2022 to OMR 15.6 million in 2023, and lower depreciation (-OMR 2.0 million) over the same period.

Share of results of equity-accounted-investees increased by 65.2 per cent. from OMR 571 thousand in the nine month period ended 30 September 2023 to OMR 942 thousand in the nine month period ended 30 September 2024 due to the increase in net income from most investments particularly Liwa in addition to increase in finance income (Duqum investment).

Income tax credit

Income tax expense fluctuated throughout the review period, increasing from -OMR 0.4 million in 2021 to OMR 1.7 million in 2022 and subsequently increasing to OMR 2.2 million in 2023, driven by tax benefits in excess of income tax expense. The tax benefits are mainly generated from deferred tax on tax losses carried forward, together with the tax impact of accelerated depreciation.

Income tax credit increased by 958.9 per cent. from OMR 75 thousand in the nine month period ended 30 September 2023 to OMR 798 thousand in the nine month period ended 30 September 2024 driven by tax benefits in excess of income tax expense.

Profit for the period

Profit for the period increased by 106.3 per cent. from OMR 20.7 million in 2021 to OMR 42.8 million in 2022, in line with the increase in revenue (OMR 104.3 million), partially offset by the increase in cost of revenue (OMR 67.1 million) and the loss on share of results of equity-accounted-investees (OMR 10.0 million) during the same period.

Profit for the period decreased by 7.7 per cent. from OMR 42.8 million in 2022 to OMR 39.5 million in 2023, mainly due to the increase in cost of revenues (OMR 22.7 million), Impairment losses on right of use assets

(OMR 22.3 million), and finance cost (OMR 16.6 million). This was partially offset by the increase in revenue (OMR 15.6 million) and finance income (OMR 11.1 million) during the same period.

Profit for the period increased by 152.9 per cent. from OMR 18.2 million in the nine month period ended 30 September 2023 to OMR 45.9 million in the nine month period ended 30 September 2024 mainly due to the decrease in cost of revenues (OMR 16.0 million), and Impairment losses on right of use assets (OMR 22.3 million).

Revenue by Type

Table: Revenue by type for the financial years ended 31 December 2021, 2022, and 2023, and the nine month period ended 30 September 2023 and 2024:

OMR in 000,s	**Financial year**			**Annual Variance**		**CAGR**	**30 September**		**Period Variance**
	2021	**2022**	**2023**	**2021-2022**	**2022-2023**	**2021-2023**	**2023**	**2024**	**2023-2024**
		(Audited)					*(reviewed)*	*(audited)*	
Revenue from contracts with customers....................	186,881	266,420	217,006	42.6%	(18.5)%	7.8%	112,211	81,291	(27.6)%
Charter hire income............	38,394	63,901	129,755	66.4%	103.1%	83.8%	149,625	181,421	21.3%
Finance lease income	18,541	17,796	16,956	(4.0)%	(4.7)%	(4.4)%	12,782	12,155	(4.9)%
Revenue	243,816	348,117	363,717	42.8%	4.5%	22.1%	274,617	274,867	0.1%
	As a % of revenue			**Percentage points**			**As a % of revenue**		**Percentage points**
Revenue from contracts with customers....................	76.6%	76.5%	59.7%	(0.1)	(16.9)	(17.0)	40.9%	29.6%	(11.3)
Charter hire income............	15.7%	18.4%	35.7%	2.6	17.3	19.9	54.5%	66.0%	11.5
Finance lease income	7.6%	5.1%	4.7%	(2.5)	(0.5)	(2.9)	4.7%	4.4%	(0.2)
KPIs									
Number of owned vessels ...	48	45	43	(2.0)	(2.0)	(5.0)	46	43	(3.0)
Number of leased vessels....	12	25	32	10	7	20	35	33	(2.0)

Revenue from contracts with customers

Revenue from contracts with customers constitutes 35.2 per cent. of total revenue between the nine month period ended 30 September 2023 and 2024, and largely pertains to freight services (93.0 per cent. of total revenue from contracts with customers between the nine month period ended 30 September 2023 and 2024). Revenue from these contracts is primarily derived from conveying crude tankers (36.2 per cent. of total revenue from contracts with customers between the nine month period ended 30 September 2023 and 2024), dry bulk (33.8 per cent.), containers (20.2 per cent.), products tankers (8.1 per cent.) and gas carriers (0.5 per cent.) among others.

Revenue from contracts with customers increased by 42.6 per cent. from OMR 186.9 million in 2021 to OMR 266.4 million in 2022, mainly due to an increase in freight income by OMR 74.6 million during the same period.

Revenue from contracts with customers decreased by 18.5 per cent. from OMR 266.4 million in 2022 to OMR 217.0 million in 2023, mainly due to a decrease in freight income by OMR 52.3 million during the same period.

Revenue from contracts with customers decreased by 27.6 per cent. from OMR 112.2 million in the nine month period ended 30 September 2023 to OMR 81.3 million in the nine month period ended 30 September 2024 mainly due to a decrease in freight income by OMR 32.9 million during the same period.

Charter hire income

Charter hire income represents 60.2 per cent. of total revenue between the nine month period ended 30 September 2023 and 2024 and primarily stems from vessels chartered to customers under time charter contracts which are typically made for periods of one to six years but may have extension options. Charter hire income is primarily derived from leasing vessels, with 28.8 per cent. coming from crude tankers between the nine month period ended 30 September 2023 and 2024, 36.1 per cent. from products tankers, 12.4 per cent. from dry bulk carriers, 22.7 per cent. from gas carriers, among others.

Charter hire income increased by 66.4 per cent. from OMR 38.4 million in 2021 to OMR 63.9 million in 2022, as the company increased its leasing operations by chartering more vessels.

Charter hire income increased by 103.1 per cent. from OMR 63.9 million in 2022 to OMR 129.8 million in 2023, as the company expanded its leasing activities starting 2023, as revenues from vessel chartering is more profitable than other operational strategies.

Charter hire income increased by 21.3 per cent. from OMR 149.6 million in the nine month period ended 30 September 2023 to OMR 181.4 million in the nine month period ended 30 September 2024 in line with the increase in leasing operations.

Finance lease income

Finance lease income represents 4.5 per cent. of total revenue between the nine month period ended 30 September 2023 and 2024 and relates to long-term finance leases with one of the company's largest clients, under which the Company leased out its four very large ore carriers (VLOCs) for 20 years starting September 2012 to September 2032 at a daily fixed rate of OMR 20.6 thousand per vessel.

Finance lease income decreased by 4.0 per cent. from OMR 18.5 million in 2021 to OMR 17.8 million in 2022, mainly due to a decrease in the average revenue per vessel from OMR 6.2 million to OMR 6.0 million during the same period. This decrease aligns with the lease amortisation schedule; as the lease receivables balance decreases, finance income correspondingly decreases.

Finance lease income decreased by 4.7 per cent. from OMR 17.8 million in 2022 to OMR 17.0 million in 2023, primarily driven by lease amortisation.

Finance lease income decreased by 4.9 per cent. from OMR 12.8 million in the nine month period ended 30 September 2023 to OMR 12.2 million in the nine month period ended 30 September 2024 mainly due to lease amortisation.

Revenue by Segment

Table: Revenue by segment for the financial years ended 31 December 2021, 2022, and 2023, and the nine month period ended 30 September 2023 and 2024:

OMR in 000,s	Financial year			Annual Variance		CAGR	30 September		Period Variance
	2021	2022	2023	2021-2022	2022-2023	2021-2023	2023	2024	2023-2024
		(Audited)					*(reviewed)*	*(audited)*	
Crude shipping....................	75,010	116,690	118,613	55.6%	1.6%	25.7%	91,086	74,358	(18.4)%

OMR in 000,s	Financial year			Annual Variance		CAGR	30 September		Period Variance
	2021	2022	2023	2021-2022	2022-2023	2021-2023	2023	2024	2023-2024
		(Audited)					*(reviewed)*	*(audited)*	
Products shipping................	30,230	57,737	82,983	91.0%	43.7%	65.7%	61,125	74,219	21.4%
Gas shipping	38,240	44,004	51,597	15.1%	17.3%	16.2%	38,578	37,513	(2.8)%
Liner shipping.....................	41,079	57,264	44,248	39.4%	(22.7)%	3.8%	32,836	42,654	29.9%
Dry bulk shipping	57,694	70,890	64,813	22.9%	(8.6)%	9.3%	49,877	44,906	(10.0)%
Others	1,564	1,533	1,462	(2.0)%	(4.6)%	(3.3)%	1,115	1,217	9.2%
Revenue	243,816	348,117	363,717	42.8%	4.5%	22.1%	274,617	274,867	0.1%
	As a % of revenue			**Percentage points**			**As a % of revenue**		**Percentage points**
Crude shipping....................	30.8%	33.5%	32.6%	2.8	(0.9)	1.8	33.2%	27.1%	(6.1)
Products shipping................	12.4%	16.6%	22.8%	4.2	6.2	10.4	22.3%	27.0%	4.7
Gas shipping	15.7%	12.6%	14.2%	(3.0)	1.5	(1.5)	14.0%	13.6%	(0.4)
Liner shipping.....................	16.8%	16.4%	12.2%	(0.4)	(4.3)	(4.7)	12.0%	15.5%	3.6
Dry bulk shipping	23.7%	20.4%	17.8%	(3.3)	(2.5)	(5.8)	18.2%	16.3%	(1.8)
Others	0.6%	0.4%	0.4%	(0.2)	(0.0)	(0.2)	0.4%	0.4%	0.0

The segmental presentation as per the audited financial statements for the nine months ended 30 September 2024 is different than the segmental presentation in the historical audited financial statements for the years ended 31 December 2021, 2022 and 2023 in terms of naming of the business segment and the combination of dry bulk and VLOC (historically) under Dry Bulk Shipping (currently). The table below summarises the differences noting that the changes had no impact on total revenue:

Segment name as per historical audited financial statements (2021- 2023)	Segment name as per the audited financial statements for the nine months ended 30 September 2024
VLCC	Crude Shipping
Tanker	Product Shipping
Containers	Liner Shipping
Dry bulk	Dry Bulk Shipping
VLOC	
LNG	Gas Shipping

Crude tankers

Crude tankers account for 30.1 per cent. of total revenue between the nine month period ended 30 September 2023 and 2024. Crude tankers are oil tankers with capacities ranging from 112,003 to 320,000 DWT (on average, between 31 December 2021 and 30 September 2024). These vessels are specifically designed to transport crude oil over long distances, typically between oil-producing regions and refineries. As of 30 September 2024, the Company owns 12 vessels, which have time charter and spot contracts expiring between September 2024 and July 2027.

Crude tankers revenues increased by 55.6 per cent. from OMR 75.0 million in 2021 to OMR 116.7 million in 2022, primarily driven by enhanced vessel utilisation coupled with higher overall freight rates, driven by strong market demand.

Crude tankers revenues increased by 1.6 per cent. from OMR 116.7 million in 2022 to OMR 118.6 million in 2023, mainly due to the company’s strategy to shift towards chartering, as it is more profitable.

Crude tankers revenues decreased by 18.4 per cent. from OMR 91.1 million in the nine month period ended 30 September 2023 to OMR 74.4 million in the nine month period ended 30 September 2024 mainly due the sale of three vessels in December 2023 that were generating revenue during in the nine month period ended 30 September 2023 coupled with lower average rate per day for some owned vessels.

Products tankers

Products tankers constitutes 24.6 per cent. of total revenue between the nine month period ended 30 September 2023 and 2024. Products tankers carry refined petroleum products including gasoline, naphtha, kerosene and diesel oil, and carry a capacity between 12,885 and 51,247 DWT (on average between 31 December 2021 and 30 September 2024). As of 30 September 2024, the Company owns 13 products tankers, all under long-term time charter contracts (7-20 years) expiring between August 2024 and March 2027.

Tanker's revenues increased by 91.0 per cent. from OMR 30.2 million in 2021 to OMR 57.7 million in 2022, mainly due to growth in leased tanker revenues driven by new vessels which contributed by OMR 24.4 million in line with the increase in the number of leased products tankers (+4), in addition to the increase in average revenues per tanker by OMR 2.4 million during the same period.

Tanker's revenues increased by 43.7 per cent. from OMR 57.7 million in 2022 to OMR 83.0 million in 2023, mainly due to growth in leased tanker revenues driven by new vessels which contributed by OMR 26.4 million in line with the increase in the number of leased products tankers (+6), in addition to the increase in average revenues per tanker by OMR 0.5 million during the same period.

Tanker's revenues increased by 21.4 per cent. from OMR 61.1 million in the nine month period ended 30 September 2023 to OMR 74.2 million in the nine month period ended 30 September 2024 mainly due to growth in leased tanker revenues driven by new vessels which contributed by OMR 12.3 million in line with the increase in the number of leased products tankers (+1), in addition to the increase in average revenues per tanker by OMR 0.6 million during the same period.

Gas carriers

Gas carriers account for 13.8 per cent. of total revenue between the nine month period ended 30 September 2023 and 2024. There are various types of vessels designed specifically for transporting Liquified Natural Gas (LNG). This includes steam turbine gas carriers and Dual Fuel Diesel Electric (DFDE) gas carriers, that carry a capacity between 38,115 and 91,597 DWT (on average between 31 December 2021 and 30 September 2024). As of 30 September 2024, the Company owns five gas carriers, all under time charter contracts ending between March 2025 and August 2026. The Company also ordered two new gas carriers expected to be delivered in 2026, as part of its expansion plans.

Gas carriers’ revenue increased by 15.1 per cent. from OMR 38.2 million in 2021 to OMR 44.0 million in 2022, due to the increase in revenue generated by (1) ADAM driven by an increase in its utilisation by 64 days, following the termination of a contract and the signing of a new one. (2) increase in revenue generated by IBRI attributed to a 148 day increase in vessel utilisation due to the full year impact in 2022 compared to 2021, when the vessel was not operating for nearly four months, this revenue growth was further supported by the increase in the average rates from OMR 9.3 thousand/day to OMR 13.7 thousand/day, as stipulated in the contract.

Gas carriers revenue increased by 17.3 per cent. from OMR 44.0 million in 2022 to OMR 51.6 million in 2023, due to the increase in revenue generated by (1) the chartering of WAAS gas carrier due to its operation for a full year in 2023, (2) IBRI driven by an increase in average rates from OMR 13.7 thousand/day to OMR 17.1 thousand/day, as agreed in the contract. and (3) ADAM due to a 21 day increase in utilisation after the vessel returned from dry dock, where it had been undergoing repairs for technical issues. This was further supported by an increase in average rates from OMR 23.3 thousand/day to OMR 24.4 thousand/day, as outlined in the contract.

Gas carriers revenue decreased by 2.8 per cent. from OMR 38.6 million in the nine month period ended 30 September 2023 to OMR 37.5 million in the nine month period ended 30 September 2024 mainly due to the decrease in revenue generated by (1) IBRI attributed to a 44 day decrease in vessel utilisation. (2) ADAM due to a 50 day decrease in vessel utilisation, and the decrease in (3) WAAS gas carrier.

Liner shipping / Container

Container constitutes 13.7 per cent. of total revenue between the nine month period ended 30 September 2023 and 2024 and includes two main components: revenue from carrier operated containers and revenue from shipper operated containers. These vessels transport a variety of container goods, including fast-moving consumer goods (FMCG), construction materials, electronics, and vehicles. As of 30 September 2024, the Company owns two container vessels with capacities of 41,500 and 50,629 DWT, both of which have spot and long-term contracts (ten years), expiring in November 2031 and September 2034, respectively. These vessels operate in various countries across Asia, primarily in India, UAE, Oman, China, and KSA.

Containers revenue increased by 39.4 per cent. from OMR 41.1 million in 2021 to OMR 57.3 million in 2022, due to (1) an increase in revenue from shipper operated containers driven by an increase in the average rate per TEU of OMR 41.6, coupled with an increase in container volume by 58.0 thousand TEUs and (2) an increase in revenue from carrier operated containers driven by an increase in the average rate per TEU by OMR 101.0, coupled with an increase in container volume by 1.3 thousand TEUs.

Container revenue decreased by 22.7 per cent. from OMR 57.3 million in 2022 to OMR 44.2 million in 2023, due to a decrease in revenue from shipper operated container revenue driven mainly by a significant decline in container volumes by 114.6 thousand TEUs, as a result of the loss of shipper operated containers from Maersk and Catalum and the operational shift from shipper operated to carrier operated containers. This was accompanied by a decline in average rate per TEU by OMR 17.2 in line with the decline in global freight rates following the decline in global demand.

Container revenue increased by 29.9 per cent. from OMR 32.8 million in the nine month period ended 30 September 2023 to OMR 42.7 million in the nine month period ended 30 September 2024 due to an increase in revenue from carrier operated containers in addition to the increase in charter hire income. The Company witnessed rapid growth in business in China, Vietnam and Thailand.

Dry bulk

Dry bulk constitutes 17.2 per cent. of total revenue between the nine month period ended 30 September 2023 and 2024 and includes carriers that transport a range of materials such as aluminium, bauxite, iron ore, and aggregates. As of 30 September 2024, the Company owns (i) seven dry bulk vessels (six Ultramax and one bulk), with an average capacity per vessel of 63,420 DWT, all of which are under time charter contracts that are set to expire between November 2024 and December 2024. (ii) four Very Large Ore Carriers (VLOCs) that are chartered to one of the Company's largest clients under long-term time charter contracts lasting 20 years, with contract expirations scheduled between August 2032 and March 2033. Each vessel has a capacity of 400,000 DWT.

Dry bulk revenues increased by 22.9 per cent. from OMR 57.7 million in 2021 to OMR 70.9 million in 2022, driven by higher revenues from leased vessels as the company was able to charter 18 vessels in 2021 compared to 11 vessels in 2021, in addition to higher revenues from owned dry bulk vessels following a slight increase in average yearly revenues per owned vessel from OMR 2.6 million to OMR 3.1 million over the same period.

This was partially offset by the decrease in finance lease revenue generated from the four VLOCs by OMR 0.8 million in line with the decrease in average yearly revenue per VLOC vessel from OMR 6.2 million in 2021 to OMR 6.0 million in 2022.

Dry bulk revenues decreased by 8.6 per cent. from OMR 70.9 million in 2022 to OMR 64.8 million in 2023, due to a (i) decrease in revenues from owned dry bulk vessels, driven by a decrease in the average yearly revenues per owned vessel, (ii) a decrease in revenues from leased vessels driven by lower utilisation rate of some vessels, coupled with the decrease in the overall number of leased vessels by three vessels and (iii) a decrease in finance lease revenue from the four VLOCs, primarily driven by lease amortisation.

Dry bulk revenues decreased by 10.0 per cent. from OMR 49.9 million in the nine month period ended 30 September 2023 to OMR 44.9 million in the nine month period ended 30 September 2024 due to a (i) decrease in revenues from leased vessels driven by the decrease in the overall number of leased vessels from eight vessels to seven vessels. In addition to a decrease in revenues from owned dry bulk vessels driven by a decrease in the average yearly revenues per owned vessel from OMR 2.0 million to OMR 1.7 million over the same period. This was partially offset by an increase in revenue generated from VLOC vessels mainly due to the increase in other fright income in line with the increase in average yearly revenue per vessel from OMR 4.4 million to OMR 4.6 million over the same period.

Others

Others represents income from ship management services to third parties and dividend income. Others remained relatively stable at OMR 1.5 million in 2021, 2022 and 2023.

Others remained relatively stable between the nine month period ended 30 September 2023 (at OMR 1.1 million) and the nine month period ended 30 September 2024 (at OMR 1.2 million).

Cost of Revenues

Table: Costs of revenue for the financial years ended 31 December 2021, 2022, and 2023, and the nine month period ended 30 September 2023 and 2024:

OMR in 000,s	**Financial year**			**Annual Variance**		**CAGR**	**30 September**		**Period Variance**
	2021	**2022**	**2023**	**2021-2022**	**2022-2023**	**2021-2023**	**2023**	**2024**	**2023-2024**
		(Audited)					*(reviewed)*	*(audited)*	
Vessel operating costs.........	115,270	138,036	170,570	19.7%	23.6%	21.6%	122,917	134,344	9.3%
Voyage operating costs.......	62,744	98,053	81,701	56.3%	(16.7)%	14.1%	62,235	38,763	(37.7)%
Charter hire expenses for short term vessel hires.........	13,026	22,077	28,643	69.5%	29.7%	48.3%	22,451	18,566	(17.3)%
Total..................................	191,040	258,166	280,915	35.1%	8.8%	21.3%	207,604	191,673	(7.7)%
	As a % of revenue			**Percentage points**			**As a % of revenue**		**Percentage points**
Vessel operating costs.........	47.3%	39.7%	46.9%	(7.6)	7.2	(0.4)	44.8%	48.9%	4.1
Voyage operating costs.......	25.7%	28.2%	22.5%	2.4	(5.7)	(3.3)	22.7%	14.1%	(8.6)

OMR in 000,s	Financial year			Annual Variance		CAGR	30 September		Period Variance
	2021	2022	2023	2021-2022	2022-2023	2021-2023	2023	2024	2023-2024
		(Audited)					*(reviewed)*	*(audited)*	
Charter hire expenses for short term vessel hires.........	5.3%	6.3%	7.9%	1.0	1.5	2.5	8.2%	6.8%	(1.4)
KPIs									
No. of chartered vessels......	19	35	29	16.0	(6.0)	10	33	40	7

Vessel operating costs

Vessel operating costs constitute 46.8 per cent. of total revenue cost between the nine month period ended 30 September 2023 and 2024, pertained to operating expenses of the vessels (owned and leased; as a lessee). Such costs comprise depreciation on RoU and owned assets (OMR 95.8 million in nine month period ended 30 September 2024), manning costs (OMR 24.0 million), repairs and maintenance (OMR 8.4 million) among others.

Vessel operating costs increased by 19.7 per cent. from OMR 115.3 million in 2021 to OMR 138.0 million in 2022, mainly due to higher depreciation on right-of-use assets (+OMR 14.6 million) attributable to the increase in number of vessels leased, in addition to higher maintenance and repair costs (+OMR 6.7 million) due to a change in the capitalisation guidelines in 2022.

Vessel operating costs increased by 23.6 per cent. from OMR 138.0 million in 2022 to OMR 170.6 million in 2023, mainly due to higher depreciation on right-of-use assets (+OMR 44.4 million) attributable to the increase in number of vessels leased. partially offset by lower maintenance and repair costs (-OMR 6.1 million), and lower depreciation on owned assets (-OMR 3.9 million) related to the sale of vessels.

Vessel operating costs increased by 9.3 per cent. from OMR 123.0 million in the nine month period ended 30 September 2023 to OMR 134.3 million in the nine month period ended 30 September 2024 mainly due to higher depreciation on right-of-use assets (+OMR 11.7 million) attributable to the increase in number of vessels leased.

Voyage operating costs

Voyage operating costs constitute 18.4 per cent. of total revenue cost between the nine month period ended 30 September 2023 and 2024. Includes the costs incurred on operating the vessel such as bunker charges (OMR 17.5 million in nine month period ended 30 September 2024), voyage expenses (OMR 16.4 million), port charges (OMR 4.9 million) among others.

Voyage operating costs increased by 56.3 per cent. from OMR 62.7 million in 2021 to OMR 98.1 million in 2022, mainly driven by the increase in bunker charges (+OMR 32.6 million) in line with higher fuel prices in 2022 to an average of OMR 835 per metric ton compared to OMR 509 per metric ton in 2021, coupled with an increase in the quantity purchased by 33,397 per metric ton over the same period.

Voyage operating costs decreased by 16.7 per cent. from OMR 98.1 million in 2022 to OMR 81.7 million in 2023, mainly driven by the decrease in bunker charges (-OMR 27.7 million) in line with lower fuel prices to an average of OMR 658 per metric tonne, coupled with a decrease in quantity purchased by 117,597 metric tons over the same period. This was partially offset by higher voyage expenses (+OMR 11.2 million) due to commissioning of Asyad Line LLC resulting in higher container costs as well as dry-docking expenses of VLOCs in 2023.

Voyage operating costs decreased by 37.7 per cent. from OMR 62.2 million in the nine month period ended 30 September 2023 to OMR 38.8 million in the nine month period ended 30 September 2024 attributable to the decrease in bunker charges (-OMR 15.0 million) as the Company shifts towards chartering whereby bunker cost is covered by third parties rather than the Company, along with the decrease in port charges by (-OMR 6.4 million) mainly related to the decrease in port expenses.

Charter hire expenses for short term vessel hires

Charter hire expenses for short term vessel hires constitute 7.5 per cent. of total revenue cost between the nine month period ended 30 September 2023 and 2024. pertains to the Company's leased; as a lessor; vessels.

Charter hire expenses for short term vessel hires increased by 69.5 per cent. from OMR 13.0 million in 2021 to OMR 22.1 million in 2022, was driven by an increase in the number of charter vessels from 19 in 2021 to 35 in 2022 in line with growth in operations and expansion. This was partially offset by a decrease in the average cost per vessel over the same period.

Charter hire expenses for short term vessel hires increased by 29.7 per cent. from OMR 22.1 million in 2022 to OMR 28.6 million in 2023, despite the decrease in the number of charter vessels was due to higher average cost per vessel and an increase in charter voyages of vessels with higher cost (mix impact).

Charter hire expenses for short term vessel hires decreased by 17.3 per cent. from OMR 22.5 million in the nine month period ended 30 September 2023 to OMR 18.6 million in the nine month period ended 30 September 2024, despite the increase in the number of charter vessels from 33 to 59 during the period, due to lower average cost per vessel.

Vessel operating costs

Table: Vessel operating costs for the financial years ended 31 December 2021, 2022, and 2023, and the nine month period ended 30 September 2023 and 2024:

OMR in 000,s	**Financial year**			**Annual Variance**		**CAGR**	**30 September**		**Period Variance**
	2021	**2022**	**2023**	**2021-2022**	**2022-2023**	**2021-2023**	**2023**	**2024**	**2023-2024**
		(Audited)					*(reviewed)*	*(audited)*	
Depreciation on RoU asset.s	9,878	24,597	68,955	149.0%	180.3%	164.2%	47,384	59,120	24.6%
Depreciation on owned assets..................................	56,868	56,523	52,612	(0.6)%	(6.9)%	(3.8)%	39,277	36,717	(6.5)%
Manning costs.....................	30,771	31,888	30,375	3.6%	(4.7)%	(0.6)%	22,186	23,973	8.1%
Repair and maintenance......	9,068	15,810	9,753	74.3%	(38.3)%	3.7%	7,356	8,423	14.5%
Consumables and stores......	4,770	5,454	5,246	14.3%	(3.8)%	4.9%	4,101	3,197	(22.0)%
Insurance............................	3,667	3,575	3,408	(2.5)%	(4.7)%	(3.6)%	2,478	2,787	12.5%
Ship management fee..........	248	188	222	(24.2)%	18.0%	(5.4))%	135	128	(5.3)%
Total..................................	115,270	138,036	170,570	19.8%	23.6%	21.6%	122,917	134,344	9.3%
	As a % of revenue			**Percentage points**			**As a % of revenue**		**Percentage points**
Depreciation on RoU assets	4.1%	7.1%	19.0%	3.0	11.9	14.9	17.3%	21.5%	0.2
Depreciation on owned assets..................................	23.3%	16.2%	14.5%	(7.1)	(1.8)	(8.9)	14.3%	13.4%	(0.1)
Manning costs.....................	12.6%	9.2%	8.4%	(3.5)	(0.8)	(4.3)	8.1%	8.7%	0.1
Repair and maintenance......	3.7%	4.5%	2.7%	0.8	(1.9)	(1.0)	2.7%	3.1%	0.1
Consumables and stores......	2.0%	1.6%	1.4%	(0.4)	(0.1)	(0.5)	1.5%	1.2%	(0.2)

OMR in 000,s	Financial year			Annual Variance		CAGR	30 September		Period Variance
	2021	2022	2023	2021-2022	2022-2023	2021-2023	2023	2024	2023-2024
		(Audited)					*(reviewed)*	*(audited)*	
Insurance............................	1.5%	1.0%	0.9%	(0.5)	(0.1)	(0.6)	0.9%	1.0%	0.1
Ship management fee..........	0.1%	0.1%	0.0%	(0.0)	(0.0)	(0.1)	0.0%	0.0%	(0.1)

Depreciation on RoU assets

Depreciation on RoU assets increased by 149.0 per cent. from OMR 9.9 million in 2021 to OMR 24.6 million in 2022, attributable to the increase in number of vessels leased.

Depreciation on right-of-use assets increased by 180.3 per cent. from OMR 24.6 million in 2022 to OMR 69.0 million in2023, attributable to the increase in number of vessels leased.

Depreciation on RoU assets increased by 24.6 per cent. from OMR 47.4 million in the nine month period ended 30 September 2023 to OMR 59.1 million in the nine month period ended 30 September 2024 largely from the increase in leased vessels (mainly for short term leases) from 33 vessels to 40 vessels over the same period.

Depreciation on owned assets

Depreciation on owned assets remained stable at OMR 56.9 million and OMR 56.5 million in 2021 and 2022, respectively.

Depreciation on owned assets decreased by 6.9 per cent. from OMR 56.5 million in 2022 to OMR 52.6 million in 2023, due to the decrease in the number of vessels following the sale of three vessels in 2022 and three vessels in 2023.

Depreciation on owned assets decreased by 6.5 per cent. from OMR 39.3 million in the nine month period ended 30 September 2023 to OMR 36.7 million in the nine month period ended 30 September 2024 due to the sale of vessels in 2023 as the sale occurred in December 2023.

Manning costs

Manning costs remained relatively stable at OMR 30.8 million, OMR 31.9 million and OMR 30.4 million in 2021, 2022 and 2023, respectively. These pertain to seafaring crew from manning agencies and Omani crew personnel that are on the Company's payroll. These costs are largely against owned vessels as the vessels that are chartered in, typically include seafaring crew.

Manning costs increased by 8.1 per cent. from OMR 22.2 million in the nine month period ended 30 September 2023 to OMR 24.0 million in the nine month period ended 30 September 2024 due to the increase in Omani crew salary and crew officer's salaries.

Repair and maintenance

Repair and maintenance pertain to spends that are operating expenses, and include expenses such as engine and deck spares, IT software and service costs, navigation equipment costs, survey costs, waste removal costs etc.

Repair and maintenance costs increased by 74.3 per cent. from OMR 9.1 million in 2021 to OMR 15.8 million in 2022, mainly due to a change in the capitalisation policy in 2022, whereby the Company included any expense less than OMR 200 thousand in expenses instead of capitalising it on fixed assets. The Company’s assets were then reviewed in 2022 and all assets resulting from the implementation of the new capitalisation policy were excluded, which led to an increase in maintenance and repair expenses for 2022 by OMR 6.7 million.

Repair and maintenance costs decreased by 38.3 per cent. from OMR 15.8 million in 2022 to OMR 9.8 million in 2023, as the impact of the change in capitalisation policy was relatively less in 2023.

Repair and maintenance costs increased by 14.5 per cent. from OMR 7.4 million in the nine month period ended 30 September 2023 to OMR 8.4 million in the nine month period ended 30 September 2024 primarily due to the reclassification of vessel fees that were previously recorded under voyage expenses. These include ship communication expenses, agency fees, and tonnage tax.

Consumables and stores

Consumables relates to oil, grease, chemical supplies, medicine, ropes, paint, consumable spare parts amongst others.

The cost of consumables and stores increased by 14.3 per cent. from OMR 4.8 million in 2021 to OMR 5.5 million in 2022, mainly due to the increase in some types of costs such as: vessel IT Store, Maps and Prints, and Ropes and Wires.

The cost of consumables and stores decreased by 3.8 per cent. from OMR 5.5 million in 2022 to OMR 5.2 million in 2023, mainly due to the reduction of some lubricant costs and operating fuel costs.

The cost of consumables and stores decreased by 22.0 per cent. from OMR 4.1 million in the nine month period ended 30 September 2023 to OMR 3.2 million in the nine month period ended 30 September 2024 following the sale of three crude vessels in December 2023, coupled with the reduction in the consumable cost for some of the crude ships.

Voyage operating costs

Table: Voyage operating costs for the financial years ended 31 December 2021, 2022, and 2023, and the nine month period ended 30 September 2023 and 2024:

OMR in 000,s	**Financial year**			**Annual Variance**		**CAGR**	**30 September**		**Period Variance**
	2021	**2022**	**2023**	**2021-2022**	**2022-2023**	**2021-2023**	**2023**	**2024**	**2023-2024**
		(Audited)					*(reviewed)*	*(audited)*	
Bunker charges	38,131	70,758	43,061	85.6%	(39.1)%	6.3%	32,447	17,479	(46.1)%
Voyage expenses.................	13,052	13,253	24,427	1.5%	84.3%	36.8%	18,443	16,380	(11.2)%
Port charges	11,561	14,042	14,213	21.5%	1.2%	10.9%	11,345	4,904	(56.8)%
Total..................................	62,744	98,053	81,701	56.3%	(16.7)%	14.1%	62,235	38,763	(37.7)%
	As a % of revenue			**Percentage points**			**As a % of revenue**		**Percentage points**
Bunker charges	15.6%	20.3%	11.8%	4.7	(8.5)	(3.8)	11.8%	6.4%	(5.4)
Voyage expenses.................	5.4%	3.8%	6.7%	(1.5)	2.9	1.4	6.7%	6.0%	(0.7)
Port charges	4.7%	4.0%	3.9%	(0.7)	(0.1)	(0.8)	4.1%	1.8%	(2.3)

Bunker charges

Bunker charges increased by 85.6 per cent. from OMR 38.1 million in 2021 to OMR 70.8 million in 2022, in line with the increase in fuel prices in 2022 to an average of OMR 835 per metric ton compared to OMR 509 per metric ton in 2021, coupled with an increase in the quantity purchased by 33,397 per metric ton over the same period.

Bunker charges decreased by 39.1 per cent. from OMR 70.8 million in 2022 to OMR 43.1 million in 2023, in line with the decrease in fuel prices to an average of OMR 658 per metric tonne, coupled with a decrease in quantity purchased by 117,597 metric tons over the same period.

Bunker charges decreased by 46.1 per cent. from OMR 32.4 million in the nine month period ended 30 September 2023 to OMR 17.5 million in the nine month period ended 30 September 2024 driven by the increase in chartering of vessels activities where the Company doesn't incur bunker charges, this was coupled with the decrease in global bunker charges from an average of USD653 per metric tonne to USD639 per metric tonne over the same period.

Voyage expenses

Voyage expenses increased slightly by 1.5 per cent. from OMR 13.1 million in 2021 to OMR 13.3 million in 2022, in line with the growth in revenue and business operations.

Voyage expenses increased by 84.3 per cent. from OMR 13.3 million in 2022 to OMR 24.4 million in 2023 due to commissioning of Asyad Line LLC resulting in higher container costs as well as dry-docking expenses of VLOCs in 2023.

Voyage expenses decreased by 11.2 per cent. from OMR 18.4 million in the nine month period ended 30 September 2023 to OMR 16.4 million in the nine month period ended 30 September 2024, as the ships were in dry dock during in the nine month period ended 30 September 2023, leading to higher expenses during that period. However, in the nine month period ended 30 September 2024, since the ships did not go off-hire, the expense decreased.

Port charges

Port costs increased by 21.5 per cent. from OMR 11.6 million in 2021 to OMR 14.0 million in 2022, in line with the increase in towage, pilotage, tonnage, dockage and harbour charges in conjunction with the increase in freight income in 2022, especially after the operation of Asyad Line LLC, which led to an increase in most port charges.

Port costs increased slightly by 1.2 per cent. from OMR 14.0 million in 2022 to OMR 14.2 million in 2023 due to the increase in port expenses (+OMR 3.1 million), resulting from the operation of Asyad Line LLC for a full year in 2023 compared to a shorter period in 2022. This was offset by a decrease in towage, pilotage, tonnage, dockage and harbour charges, as these fees are correlated with revenue composition and their percentage of total revenues (mix).

Port costs decreased by 56.8 per cent. from OMR 11.3 million in the nine month period ended 30 September 2023 to OMR 4.9 million in the nine month period ended 30 September 2024 mainly related to the decrease in port expenses driven by the decrease in number of vessels calling at ports as the average number of vessels calling at ports in the nine month period ended 30 September 2023 was ten compared to three in the nine month period ended 30 September 2024.

General and Administrative Expenses

Table: General and administrative expenses for the financial years ended 31 December 2021, 2022, and 2023, and the nine month period ended 30 September 2023 and 2024:

OMR in 000,s	Financial year			Annual Variance		CAGR	30 September		Period Variance
	2021	2022	2023	2021-2022	2022-2023	2021-2023	2023	2024	2023-2024
		(Audited)					*(reviewed)*	*(audited)*	
Staff costs	7,167	9,323	10,687	30.1%	14.6%	22.1%	6,713	6,940	3.4%
Legal and professional expenses	301	420	336	39.4%	(20.0)%	5.6%	186	147	(20.8)%
Repair and maintenance	377	308	4	(18.2)%	(98.8)%	(90.2)%	274	29	(89.5)%
Information technology services	405	415	368	2.4%	(11.2)%	(4.7)%	165	345	108.6%
Depreciation - owned assets	—	281	265	NA	(5.7)%	NA	199	195	(2.2)%
Depreciation - RoU assets	3	11	65	339.9%	466.5%	399.2%	50	49	(2.5)%
Amortisation - Intangible assets	—	—	—	NA	NA	NA	—	14	NA
Other administrative expenses	152	96	810	(36.5)%	739.9%	131.0%	189	3,257	1626.1%
Withholding tax expense	81	—	62	(100.0)%	NA	(12.7)%	31	59	86.4%
Total	8,485	10,856	12,597	27.9%	16.0%	21.8%	7,808	11,034	41.3%
	As a % of revenue			**Percentage points**			**As a % of revenue**		**Percentage points**
Staff costs	2.9%	2.7%	2.9%	(0.3)	0.3	(0.0)	2.4%	2.5%	0.1
Legal and professional expenses	0.1%	0.1%	0.1%	(0.0)	(0.0)	(0.0)	0.1%	0.1%	(0.0)
Repair and maintenance	0.2%	0.1%	0.0%	(0.1)	(0.1)	(0.2)	0.1%	0.0%	(0.1)
Information technology services	0.2%	0.1%	0.1%	(0.0)	(0.0)	(0.1)	0.1%	0.1%	0.1
Depreciation - owned assets	—	0.1%	0.1%	0.1	(0.0)	0.1	0.1%	0.1%	(0.0)
Depreciation - RoU assets	0.0%	0.0%	0.0%	0.0	0.0	0.0	0.0%	0.0%	(0.0)
Amortisation - Intangible assets	—	—	—	0.0	0.0	—	—	0.0%	0.0
Other administrative expenses	0.1%	0.0%	0.2%	(0.0)	0.2	0.2	—	0.0%	0.0
Withholding tax expense	0.0%	—	0.0%	(0.0)	0.0	(0.0)	0.1%	1.2%	1.1
KPIs									
Total headcount	376	413	403	37.0	(10.0)	27	401	445	44
Avg. annual cost per head (OMR in 000's)	19.1	22.6	26.5	3.5	3.9	7.5	22.3	20.8	(1.5)

Staff costs

Staff costs increased by 30.1 per cent. from OMR 7.2 million in 2021 to OMR 9.3 million in 2022, mainly due to higher salaries in line with the growth in total headcount and an increase in average annual salary per head, in addition to an increase in employee bonuses over the same period.

Staff costs increased by 14.6 per cent. from OMR 9.3 million in 2022 to OMR 10.7 million in 2023, mainly due to the shared service fee charged by Asyad Group starting from 2023, in addition to an increase in employee bonuses and salaries over the same period.

Staff costs increased by 3.4 per cent. from OMR 6.7 million in the nine month period ended 30 September 2023 to OMR 6.9 million in the nine month period ended 30 September 2024 mainly due to higher salaries in line with the growth in total headcount, employee bonuses, and recruitment and training. This was partially offset by the decrease in average salary per head.

Finance Costs

Table: Finance costs for the financial years ended 31 December 2021, 2022, and 2023, and the nine month period ended 30 September 2023 and 2024:

OMR in 000,s	**Financial year**			**Annual Variance**		**CAGR**	**30 September**		**Period Variance**
	2021	**2022**	**2023**	**2021-2022**	**2022-2023**	**2021-2023**	**2023**	**2024**	**2023-2024**
		(Audited)					*(reviewed)*	*(audited)*	
Interest on loans and borrowings..........................	18,589	21,755	33,075	17.0%	52.0%	33.4%	24,543	22,920	(6.6)%
Interest expense on interest rate swap............................	4,333	342	—	(92.1)%	(100.0)%	100.0%	—	—	NA
Interest expense on lease liabilities	1,419	2,861	8,447	101.5%	195.3%	144.0%	6,428	6,586	2.5%
Amortisation of finance cost	1,058	841	831	(20.5)%	(1.2)%	(11.4)%	521	396	(24.0)%
Total..................................	25,399	25,800	42,354	1.6%	64.2%	29.1%	31,491	29,901	(5.0)%

Interest on loans and borrowings

Interest on loans and borrowings increased by 17.0 per cent. from OMR 18.6 million in 2021 to OMR 21.8 million in 2022, mainly due to an increase in interest on long-term loans by OMR 2.7 million driven by an increase in average interest rates.

Interest on loans and borrowings increased by 52.0 per cent. from OMR 21.8 million in 2022 to OMR 33.1 million in 2023, mainly due to an increase in interest on long-term loans by OMR 9.6 million driven by an increase in average interest rates, in addition to interest on Bank Muscat facilities.

Interest on loans and borrowings decreased by 6.6 per cent. from OMR 24.5 million in the nine month period ended 30 September 2023 to OMR 22.9 million in the nine month period ended 30 September 2024 following the settlement of three loans totalling OMR 215.5 million in 2024.

Interest expense on interest rate swap

Interest expense on interest rate swap decreased by 92.1 per cent. from OMR 4.3 million in 2021 to OMR 342 thousand in 2022, then decreased to zero in 2023, as the company was able to record profits from its position in swap contracts as a result of changing prices in its favour.

Interest expense on lease liabilities

Interest expense on lease liabilities increased by 101.5 per cent. from OMR 1.4 million in 2021 to OMR 2.9 million in 2022, in line with the increase in lease liabilities.

Interest expense on lease liabilities increased by 195.3 per cent. from OMR 2.9 million in 2022 to OMR 8.4 million in 2023, mainly due to a significant increase in average lease liabilities from OMR 91.1 million in 2022 to OMR 160.5 million in 2023.

Interest expense on lease liabilities increased by 2.5 per cent. from OMR 6.4 million in the nine month period ended 30 September 2023 to OMR 6.6 million in the nine month period ended 30 September 2024 driven by the additions of OMR 58.0 million in ROU related to vessels.

Amortisation of finance cost

Represents the loan-related charges amortised over the life of the related facilities.

Amortisation of finance cost decreased from OMR 1.1 million in 2021 to OMR 841 thousand in 2022 and OMR 831 thousand in 2023, mainly due to depreciation with no new major loans drawn.

Amortisation of finance cost decreased by 24.0 per cent. from OMR 521 thousand in the nine month period ended 30 September 2023 to OMR 396 thousand in the nine month period ended 30 September 2024 mainly due to depreciation with no new major loans drawn.

Finance Income

Table: Finance income for the financial years ended 31 December 2021, 2022 and 2023, and the nine month period ended 30 September 2023 and 2024:

OMR in 000,s	Financial year			Annual Variance		CAGR	30 September		Period Variance
	2021	2022	2023	2021-2022	2022-2023	2021-2023	2023	2024	2023-2024
		(Audited)					(reviewed)	(audited)	
Interest income on loan and bank deposits	3,760	2,010	5,308	(46.5)%	164.1%	18.8%	4,066	5,215	28.3%
Interest income on interest rate swap	—	—	4,388	NA	NA	0.0%	3,574	1,949	(45.5)%
Gain on swap breakage	—	—	3,409	NA	NA	0.0%	3,409	—	NA
Total	3,760	2,010	13,105	(46.5)%	552.1%	86.7%	11,050	7,165	(35.2)%

Interest income on loan and bank deposits

The Company earns interest income primarily on its term deposits and on loans to Al-Musannah (a joint venture).

Interest income on loans and bank deposits decreased by 46.5 per cent. from OMR 3.8 million in 2021 to OMR 2.0 million in 2022, driven by a decrease in interest earned on fixed term deposits in line with a slight decrease in average fixed deposits and interest rates.

Interest income on loans and bank deposits increased by 164.1 per cent. from OMR 2.0 million in 2022 to OMR 5.3 million in 2023, driven by an increase in interest on fixed term deposits in line with an increase in average fixed term deposits.

Interest income on loans and bank deposits increased by 28.3 per cent. from OMR 4.1 million in the nine month period ended 30 September 2023 to OMR 5.2 million in the nine month period ended 30 September 2024 driven by an increase in interest earned on fixed term deposits resulting from the increase in SOFR rate form an average of 5.05 per cent. to 5.75 per cent.

Interest income on interest rate swaps

Interest income on interest rate swaps amounted to OMR 4.4 million in 2023, pertains to the gain earned on the closing of the hedging agreement for three subsidiaries.

Interest income on interest rate swaps decreased by 45.5 per cent. from OMR 3.6 million in the nine month period ended 30 September 2023 to OMR 1.9 million in the nine month period ended 30 September 2024 attributable to the breaking of four SWAP hedges during the nine month period ended 30 September 2023.

Gain on swap breakage

In order to manage interest rate risk due to the size of debt outstanding at variable interest rates, the Company enters into interest rate swaps, whereby the Company agrees to exchange the difference between fixed and variable interest amounts calculated with reference to the agreed notional capital amount.

Gain on swap breakage amounted to OMR 3.4 million in 2023, the interest rate environment was trending upward as compared to the hedged rate.

Gain on swap breakage decreased from OMR 3.4 million in the nine month period ended 30 September 2023 to zero in the nine month period ended 30 September 2024 due to the gains recorded on closing of hedging SWAP agreements (OMR 3.4 million) in the nine month period ended 30 September 2023.

Indebtedness / Liabilities

Financial asset at amortised cost

Table x-x: Financial asset at amortised cost as at 31 December 2021, 2022 and 2023, and as at 30 September 2024:

OMR in 000's	**31 December**			**30 September**
	2021	**2022**	**2023**	**2024**
		(Audited)		
Financial assets - finance lease				
Finance lease receivable	144,389	138,197	131,234	125,345
Provisions	(182)	(137)	(177)	(169)
Subtotal				
Financial assets - loan receivables	144,207	138,060	131,057	125,175
Loan to a joint venture	5,498	5,498	5,553	5,661
Loan to OJV3	2,386	2,137	1,994	1,995
Provisions	(25)	(25)	(25)	(25)
Subtotal	7,859	7,610	7,522	7,631
Current	6,011	6,842	7,685	13,833
Non- current	146,055	138,828	130,894	118,973

Financial assets – finance lease (OMR 125.3 million as at 30 September 2024) comprises 20-year lease agreements for four VLOC vessels with one of the world's largest oil producers globally and is of good credit standing. There are no past due finance lease receivables as at 30 September 2024.

Financial assets – loan receivables (OMR 7.6 million as at 30 September 2024) pertains to USD-denominated loans extended to the joint ventures Al Musanah Maritime and OJV3 and are partially secured by the JV partner's equity interest.

Loan to Al Musanah Maritime (JV) carries an effective annual interest rate of SOFR plus 2 per cent. (2023: SOFR plus 2 per cent.). The amount includes accrued interest of OMR 162.7 thousand as at 30 September 2024 (OMR 55.2 thousand as at 31 December 2023). The loan receivable did not materially change over the past three years and that the JV is loss making. The receivable will be settled at the end of 2024 as per the terms of their agreement.

Loan to OJV3 is denominated in Japanese Yen amounted to OMR 2.0 million (2023: OMR 2.0 million) and carries an interest rate of 4 per cent. (2023: 4 per cent.). The amount includes accrued interest of OMR 28 thousand as at 30 September 2024 (2023: OMR 4 thousand). The loan is expected to be repaid during 2025.

Loans and Borrowings (Current and Non-Current)

Table: Loans and borrowings as at 31 December 2021, 2022 and 2023, and as at 30 September 2024:

OMR in 000's	31 December			30 September
	2021	2022	2023	2024
		(Audited)		
Term loans	609,413	558,932	493,031	458,466
Accrued interest	2,802	4,056	4,863	8,892
Bank overdraft	1,762	40	8,235	—
Loan from Ministry of Finance	11,977	—	—	—
Sub-total	625,954	563,028	506,129	467,358
Deferred financing costs	(3,432)	(2,591)	(1,760)	(1,613)
Total	622,522	560,437	504,370	465,745
Current	68,715	58,314	68,428	53,426
Non- current	553,807	502,123	435,942	412,320

Loans and borrowings, net (OMR 465.7 million as at 30 September 2024) pertain to borrowings largely secured against vessels (OMR 333.9 million as at 30 September 2024) and are primarily sourced from five banks. Loans are denominated in OMR (55.7 per cent.) and USD (44.3 per cent.), with 35.0 per cent. at floating rates linked to Overnight SOFR rates. The Company also utilises interest rate hedging and is subject to various covenants.

Loans and borrowings repayable in instalments of several denominations from quarterly to semi-annual repayments. The loans are secured against registered mortgage on vessels valued at OMR 333.9 million (December 2023: OMR 339.8 million).

The loans carry interest at variable rates based on SOFR with margins ranging from 1.7 per cent. to 5.7 per cent. per annum (2023: LIBOR 1.7 per cent. to 4.35 per cent.). Term loans include accrued interest of OMR 8.9 million as at 30 September 2024 (31 December 2023: OMR 4.9 million). In order to manage interest rate risk, the Company entered into certain interest rate hedging agreement which were favourable in 2023 resulting in interest rate swap gains.

The loan agreements contain restrictive covenants, such as limits on net debt, current ratio, tangible net worth, debt service, debt equity ratio, pattern of shareholding, payment of dividends, vessel disposal, amendment to time charter party agreement and creation of charge over authorised security. As per the audited financial statements, the Company was in compliance with all loan covenants as at 30 September 2024.

Loans are largely withdrawn from Asyad Group (21.7 per cent. as at 30 September 2024), Bank Muscat (19.8 per cent.), Meethaq Islamic Banking (9.3 per cent.) and Standard Chartered (9.3 per cent.). The Company also had revolving credit facilities with Bank of Muscat and Meethaq Islamic Banking.

The Company utilised a bank overdraft facility in the amount of OMR 8.2 million as at 31 December 2023 for working capital. The amount was settled by March 2024.

The Company obtained a loan from Asyad Group (the Parent) amounting to OMR 100 million as at 30 September 2024 for the purpose of refinancing the Company's existing facilities with Bank Muscat and Meethaq and release the related government guarantees. The loan is repayable over 131 months at an interest rate of 5.7 per cent.

Lease Liabilities (Current and Non-Current)

Table: Lease liabilities as at 31 December 2021, 2022 and 2023, and as at 30 September 2024:

OMR in 000's		**31 December**		**30 September**
	2021	**2022**	**2023**	**2024**
		(Audited)		
Balance at 1 January		42,099	91,092	160,576
Additions during the period		72,332	137,967	58,433
Adjustment to lease liabilities		482	1,080	—
Payments during the period		(26,681)	(78,011)	(74,607)
Interest expense for the period		2,861	8,447	6,586
Balance at 31 December	42,099	91,092	160,576	150,987
Current	17,298	32,308	84,438	79,099
Non- current	24,801	58,784	76,138	71,889

Lease liabilities (OMR 151.0 million as at 30 September 2024) pertain to leased vessels. In accordance with IFRS-16 requirements, lease liabilities are discounted at either the interest rate implicit in the lease or the Group's incremental borrowing rate ("**IBR**"), ranging between 2.75 per cent. and 7.5 per cent.

Lease liabilities increased from OMR 42.1 million as at 31 December 2021 to OMR 91.1 million as at 31 December 2022, mainly driven by four additional leased vessels in line with the adjacent growth in operations and the commencement of Asyad Line in 2022.

Lease liabilities increased from OMR 91.1 million as at 31 December 2022 to OMR 160.6 million as at 31 December 2023, resulted from 14 new leased vessels in 2023 in line with the expansion in operations, in addition to a new leased property.

Lease liabilities subsequently declined from OMR 160.6 million as at 31 December 2023 to OMR 151.0 million as at 30 September 2024 as additions pertaining to five new leased vessels were offset by lease payments made during the period.

Amounts due to related parties

Amounts due to related parties decreased from OMR 1.9 million as at 31 December 2021 to OMR 1.3 million as at 31 December 2022, after part of the repayments of Asyad Drydock Company, Raysut Maritime and Energy Spring Gas Carrier.

Amounts due to related parties increased from OMR 1.3 million as at 31 December 2022 to OMR 19.9 million as at 31 December 2023, mainly comprised of amounts due to the parent company Asyad Group SAOC (OMR 18.0m) against unpaid dividends which will be paid in 2024. The remaining balance pertains to Asyad Drydock Company (OMR 1.7 million) and Ministry of Finance (OMR 0.3 million**).**

Amounts due to related parties decreased from OMR 19.9 million as at 31 December 2023 to OMR 261 thousand as at 30 September 2024, mainly due to the settlement of Asyad Group SAOC balance (-OMR 18 million), and Oman Drydock Company SAOC (-OMR 1.7 million).

Cash Flow Statement

Table: Statement of cash flow as at 31 December 2021, 2022 and 2023, and as at 30 September 2024:

OMR in 000's	**31 December**			**30 September**
	2021	**2022**	**2023**	**2024**
		(Audited)		
Cash flows from operating activities				
Profit before tax	21,157	41,083	37,310	45,108
Adjustments for:				
Impairment reversal / (losses) on financial and contract assets	215	248	(105)	282
Gain / (loss) on sale of property, vessels and equipment	—	280	(18,041)	(3)
Impairment losses on right of use assets	—	—	22,326	—
Depreciation	66,900	81,223	121,897	96,095
Share of results of joint ventures and associate	(3,268)	6,777	(998)	(942)
Property, vessels and equipment write off during the year	—	3,560	—	—
Provision for employees' end of service benefits	5	208	397	104
Finance income	(3,760)	(2,010)	(13,105)	(7,165)
Finance costs	25,400	25,800	42,354	29,901
Dividend income	—	(960)	(148)	(131)
Total adjustments	106,648	156,209	191,886	163,249
Changes in:				
Inventories	(4,993)	2,500	2,891	1,280
Trade receivables	(4,193)	(6,020)	5,873	(8,554)
Contract assets	(2,625)	(4,058)	6,033	543
Other financial assets at amortised cost	(133)	(3,234)	447	660
Other current assets	(1,847)	(8,685)	643	435
Trade and other payables	(748)	(35,156)	6,785	(20,371)
Contract liabilities	(679)	425	9,736	2,658
Cash generated from operating activities	91,430	101,982	224,294	139,900
Finance cost paid (including interest portion of lease liabilities)	(24,341)	(23,705)	(41,674)	(25,477)
Employees' end of service benefit paid	(41)	(42)	(91)	(120)
Income tax paid	(214)	(177)	(73)	—

OMR in 000's	31 December			30 September
	2021	2022	2023	2024
		(Audited)		
Net cash from operating activities	66,833	78,057	182,457	114,302
Cash flows from investing activities				
Acquisition of property, vessels and equipment	(58,533)	(16,905)	(64,305)	(26,662)
Proceeds from sale of property, vessels and equipment	—	51,033	74,821	11
fixed term and margin deposits invested	(12,494)	1,603	(44,531)	(45,258)
fixed term and margin deposits invested	270	1,981	2,458	59,843
Dividends received	5,710	6,396	7,051	285
Financial assets at amortised cost	3,760	2,053	13,105	5,780
Finance income received	—	—	—	6,022
Net cash (used in) / from investing activities	(61,288)	46,162	(11,401)	20
Cash flows from financing activities				
Proceeds from loans and borrowings	64,200	—	6,930	222,911
Repayments of borrowings	(144,053)	(61,164)	(72,831)	(257,476)
Lease payments -principal portion	(9,470)	(23,821)	(69,564)	(68,022)
Dividend paid	(4,188)	(3,981)	(42,158)	(21,906)
Injection in restricted cash	5,112	—	—	—
Deferred finance cost paid	(706)	—	—	(249)
Net cash used in financing activities	(89,107)	(88,966)	(177,623)	(124,742)
Net (decrease) / increase in cash and cash equivalents	(83,561)	35,252	(6,568)	(10,419)
Cash and cash equivalents at beginning of the year/period	98,638	15,077	50,329	43,762
Cash and cash equivalents at end of the year/period	15,077	50,329	43,762	33,343

Cash flows from operations increased by OMR 11.2 million between 31 December 2021 and 31 December 2022 due to an increase in earnings before interest, tax, depreciation and amortisation by OMR 46.8 million over the same period, partially offset by a decrease in trade and other payables by OMR 35.2 million driven by the settlement of Asyad Group SAOC payable balance following the cancellation of the share capital registration.

Cash flows from operations further increased by OMR 104.4 million in 2023 to reach OMR 182.5 million at 31 December 2023 driven by the increase in earnings before interest, tax, depreciation and amortisation by OMR 34.4 million over the same period, coupled with an increase in trade payables mainly reflecting unpaid dividends to the parent company, Asyad Group SAOC as well as a drop in trade receivables driven by improved collections.

Cash flows from operations amounted to OMR 114.3 million in the nine months ended 30 September 2024 resulting from earnings before interest, tax, depreciation and amortisation of OMR 163.0 million, partially offset by an increase in trade receivables.

Cash flows from investing activities increased by OMR 107.5 million between 31 December 2021 and 31 December 2022 mainly from proceeds from the sale of vessels (OMR 51.0 million) coupled with lower capital expenditure investments and purchases over the period (a decrease of OMR 41.6 million).

Cash flows from investing activities decreased by OMR 57.6 million between 31 December 2022 and 31 December 2023 due to the purchase of assets: vessels (OMR 64.3 million) coupled with an outflow reflecting cash invested in fixed deposits (-OMR 44.5 million), which was partially offset by proceed from sales of vessels (OMR 74.8 million).

The Company generated minimal cash flows from investing activities in the nine months ended 30 September 2024 as net cash invested in fixed deposits along with finance income received on fixed deposits was fully offset by purchases of property, vessels and equipment over the period.

Cash used in financing activities in 2021 and 2022 principally reflecting net payments on borrowings and lease liabilities. Cash used in financing activities increased by OMR 88.7 between 31 December 2022 and 31 December 2023 due to further repayments on borrowings and leases in addition to dividend payments amounting to OMR 42.1 million. Cash flows used in financing activities amounted to OMR 142.7 million in the nine months ended 30 September 2024 mainly reflecting net payments on borrowings of OMR 34.6 million after accounting for proceeds from new loan facilities in addition to lease payments and dividend payments (OMR 39.9 million).

Contingencies and Commitments

Table: Contingencies and commitments as at 31 December 2021, 2022 and 2023, and as at 30 September 2024:

OMR in 000's	**31 December**			**30 September**
	2021	**2022**	**2023**	**2024**
		(Audited)		
Loan guarantees	—	230,034	199,493	176,179
Contingencies	—	230,034	199,493	176,179
Vessel purchase commitments	—	86,255	155,186	334,670
Other	4,733	12	—	—
Capital commitments	4,733	86,267	155,186	334,670

Contingencies

As at 30 September 2024, the Company had guaranteed loans to its subsidiaries amounting to OMR 176.2 million (as at 31 December 2023 – OMR 199.5 million, 31 December 2022: OMR 230.0 million).

Capital commitments

The Company has vessel purchase commitments of OMR 334.7 million (as at 31 December 2023: OMR 155.2 million, 31 December 2022: OMR 86.3 million) as at 30 September 2024, which relates to two gas carriers under construction, which cost OMR 96.4 million each, and four VLCCs under construction, which cost OMR 49.8 million each, of which the Company had paid OMR 57.5 million. These vessels are expected to be delivered in 2026 and 2027.

Quantitative and Qualitative Disclosures about Market Risk

The principal categories of financial risk to which the Company is exposed are credit risk, liquidity risk and market risk (including interest rate risk and foreign currency risk). For a description of the Company's management of these risks, see Note 4 to the 2023 Annual Combined Financial Statements and the Interim Financial Statements.

Critical Accounting Judgements, Estimates and Sources of Uncertainty

The Combined Financial Statements have been prepared in accordance with IFRS. For a discussion of the critical accounting policies applied by the Company, see Note 3 to the 2023 Annual Combined Financial Statements and the Interim Financial Statements.

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The estimates pertain to assessment of the contractual arrangements, taxes and impairment of assets. For further information, see Note 5 to the 2023 Annual Combined Financial Statements and the Interim Combined Financial Statements.

Chapter XV
Dividend Policy

As per the Articles, the Offer Shares rank equally with all other Shares for any rights to dividends that may be declared and paid in respect of the financial year of the Company ending 2024 on a *pari passu* basis, and any subsequent years. Following completion of the IPO, the Shareholders' register of the Company maintained by the MCDC will be amended to reflect public ownership of the Offer Shares and new Shareholders will have *pari passu* rights to receive dividends or other distributions declared by the Company.

Dividend Policy

The Company intends to maintain a robust dividend policy designed to return to Shareholders substantially all of its distributable free cash flow after providing for growth opportunities and subject to credit rating considerations. The Company's ability to pay dividends is dependent on a number of factors, including the availability of distributable reserves, its capital expenditure plans and other cash requirements in future periods, and there is no assurance that the Company will pay dividends or, if a dividend is paid, what the amount of such dividend will be. See "*Chapter IV — Risk Factors—Risks Relating to the Offer and to the Shares—The Company may not pay dividends or declare dividends in the future*." Any level or payment of dividends will depend on, among other things, the future profits and the business plan of the Company, at the discretion of the Board and will be subject to the approval of the OGM.

Furthermore, the Company's dividend policy is subject to restrictions contained in the CCL, and covenants contained in its facility agreements. These are summarised as follows:

- In accordance with Article 132 of the CCL, the Board must deduct 10 per cent. from the net profits of each financial year, after the deduction of taxes, to form a legal reserve until the legal reserve reaches at least one-third of the Company's capital. Such reserve may be used to cover the Company's losses and to increase its capital by issuing shares. Such reserve, however, may not be distributed as dividends to shareholders except where the Company reduces its capital, provided the legal reserve shall not be less than one third of the capital after the capital reduction.
- Distribution of dividends may be made only from retained earnings / net profits after the deduction of all the necessary costs and setting aside required depreciation and amortisations, allocations and reserves including allocations made by the Company from the profits to increase its capital, pursuant to Article 131 of the CCL.
- The remaining profit thereafter may be distributed as an additional dividend to Shareholders or be carried forward to the following year on the Board's recommendation and the approval of the Shareholders through an OGM.

The Company has declared a dividend of U.S.$25.7 million (approximately OMR 9.9 million) in February 2025 on the basis of the Company's pre-IPO performance. Following completion of the IPO and subject to satisfying the requirements set forth above, the Company intends to declare a dividend of U.S.$58.0 million (approximately OMR 22.3 million) payable in March 2025 to shareholders of record on the basis of the Company's performance for the year ended 31 December 2024 and to declare a dividend of U.S.$75.0 million (approximately OMR 29.0 million) payable in September 2025 to shareholders of record on the basis the Company's performance for the six months ending 30 June 2025. The Company expects to declare a dividend of U.S.$75.0 million (approximately OMR 29.0 million) payable in March 2026 on the basis of the Company's performance for the year ending 31 December 2025. In 2026, the Company expects to declare a fixed annual dividend of U.S.$150.0 million (approximately OMR 58.0 million), 50 per cent. of which, amounting to U.S.$75.0 million (approximately OMR 29.0 million), is expected to be paid in September 2026 on the basis of the Company's performance for the six months ending 30 June 2026, and the remaining 50 per cent. of which, amounting to U.S.$75.0 million (approximately OMR 29.0 million), is expected to be paid in March 2027 on the basis of the Company's performance for the year ending 31 December 2026. In 2027, the Company expects to declare a dividend based on 95 per cent. of the audited net income for the year ending 31 December 2027. The Company expects to pay 50 per cent. of this dividend in September 2027 and 50 per cent. in March 2028. Thereafter, the Company intends to maintain consistency in the distribution of profits, taking into account its growth strategy and cash flow generation. The Company intends to pay out dividends for the first six months of the year in September of that year and for the last six months of the year in March of the following year.

This dividend policy is designed to reflect the Company's expectation of strong cash flow and expected long term earnings potential while allowing the Company to retain sufficient capital to fund ongoing operating requirements and continued investment for long term growth. This dividend policy is subject to the consideration of the Board in relation to the cash management requirements of the Company's business for operating expenses, financing expenses and anticipated capital expenditures. In addition, the Company expects that the Board will also consider market conditions, the then current operating environment in the markets in which the Company operates, the Company's capital structure, cash generation profile, any other approvals required and the Board's outlook for the Company's business and growth.

The Company distributed dividends in the amount of OMR 4.2 million (U.S.$10.9 million) in 2021, OMR 4.0 million (U.S.$10.3 million) in 2022, OMR 42.2 million (U.S.$109.5 million) in 2023 and OMR 21.9 million (U.S.$56.9 million) in 2024. The dividends distributed in 2021 and 2022 were distributed by way of the Company's subsidiaries to non-controlling interests in those subsidiaries.

Chapter XVI
Related Party Transactions and Material Contracts

The Company enters into transactions with companies and entities that fall within the definition of a related party as contained in IAS 24 *Related Party Disclosures*. Related parties comprise the Selling Shareholder and members of the Asyad Group, members of the board, management and business entities that have the ability to control or exercise significant influence over financial and operating decisions of the Company. The Company maintains balances with these related parties which arise in the ordinary course of business from commercial transactions at mutually agreed terms comparable to those with other entities that are not related to the Government and/or Government controlled entities. Outstanding balances at year end are unsecured and settlement occurs in cash.

The Company has applied the exemptions in IAS 24 related to transactions with the Government and other entities controlled, jointly controlled or significantly influenced by the Government. In this respect, the Company has disclosed certain information in the Financial Statements, to meet the disclosure requirements of IAS 24.

During the periods covered by the Financial Statements, the Company entered, and continues to enter, into transactions with Government- and/or Asyad Group-related entities. These transactions include:

(a) rendering and receiving services, including vessel management and drydocking;

(b) lease of property to Asyad Group and ADC;

(c) ordinary course transactions with key management personnel, including compensation and benefits; and

(d) the Shareholder Loan Agreement.

For details on the impact of related party transactions on the Company's financial position and financial results, please refer to Note 18 of the 2023 Annual Financial Statements, Note 18 of the 2022 Annual Financial Statements and Note 18 of the Interim Financial Statements, in each case included elsewhere in this Prospectus.

Certain other Material Contracts with Related Parties

The Company has entered or is expected to enter into material contracts with related parties, which are discussed in detail in "*Chapter XII—Description of the Company and Business Overview—Material Contracts*". The related party contracts described in that section include *the Joint Venture Agreements*, *the Time Charter Contracts*, *the Shipbuilding Contracts*, *Service Level Agreement* and the *Dry Docking and Ship Repair Services Agreement*.

Chapter XVII
Corporate Governance

Certain sections of this Chapter summarise the issues relating to the corporate governance of the Company based on the Articles, the CCL and the rules and regulations issued by the FSA, in particular, the Code and the SAOG Executive Regulations. The description provided in this Chapter is only a summary and does not purport to give a complete overview of the Articles, of the relevant provisions of the CCL, the Code, SAOG Executive Regulations or the FSA rules and regulations.

Overview

This section details the composition of the Board, various Board committees and Management. It also highlights the corporate governance practices that the Company has or will have in place prior to listing.

Board

Current Board Composition

The current Board of the Company is as set out below and its members' term of office is due to expire at the next AGM of the Company.

S/N	Name	Position	Independent[1]/ Non-Independent
1	Abdulrahman Al Hatmi	Chairman	Non-Independent
2	Muhsin Alrustom	Deputy Chairman	Non-Independent
3	David Stockley	Board Member	Independent
4	Selim Khallaf	Board Member	Non-Independent
5	Peder Sondergaard	Board Member	Independent

Note:

(1) A director is deemed independent pursuant to FSA rules and regulations.

Biographical Information of the Members of the Board

Abdulrahman Al Hatmi (Chairman)

Abdulrahman Al Hatmi has over 25 years of experience in the oil and gas industry and infrastructure space. He is the Chief Executive Officer at Asyad Group and is serving on the boards of Hafeet Rail and OQ. Prior to joining Asyad Group, Abdulrahman spent 14 years as a mechanical engineer in the oil and gas industry, founded two successful startups and served as Chief Executive Officer of Oman Rail.

Abdulrahman holds a Bachelor of Engineering (BEng) degree from the University of Bradford (UK).

Muhsin Alrustom (Deputy Chairman)

Muhsin Alrustom has over 15 years of experience in the logistics and maritime sectors and is an established finance professional focusing on sustainable value and financial excellence. He is the Chief Financial Officer at Asyad Group, where he has successfully operated and developed financial processes and systems and managed corporate financing, hedging and liquidity needs. Muhsin serves as board member of Salalah Port

Services and as board member, board advisor and Chairman of Audit Committee of Abraj Energy Services. Prior to his current position, he served as the General Manager of Treasury at the Company, following a tenure in Dubai as the Treasury Manager of Oman Trading International, prior to which he worked in various roles for DP World.

Muhsin holds a Bachelor of Science (BSc) degree in Commerce and Economics (Accounting) from Sultan Qaboos University (Oman) and is also a qualified CMA and ACT accountant and treasurer. Additionally, he holds a diploma in Ship Finance and Vessel Purchase from Lloyd's Maritime Academy (UK). Muhsin is a member of the Middle East Advisory Board of the Association of Corporate Treasurers and a member of the Advanced CFO's Group at the United Nations Global Compact CFO Coalition for the Sustainable Development Goals.

Selim Khallaf (Member)

Selim Khallaf has over 20 years of transactional expertise, with a track record in leading significant buy-side and sell-side M&A transactions. He serves as Group Head of M&A and Portfolio Development at Asyad Group, leading Asyad Group's investment activities within the integrated logistics investment activities. Prior to joining Asyad Group, Selim served as Senior Vice President of Direct Investments at the Public Investment Fund of the Kingdom of Saudi Arabia and Investment Director – Private Equity at Oman Investment Authority. He has also previously held positions at Izz Islamic Bank, PwC Middle East, Ernst and Young and FinCorp Investment Holding.

Selim holds a Bachelor of Science (Bsc) degree in Business from Cairo University (Egypt) and a Master of Science (MSc) degree in Finance from Leicester University (UK).

David Stockley (Member)

David Stockley has over 45 years of experience in the shipping industry. He is the Founding Partner of CTC Marine Solutions, a boutique shipping consultancy firm. Prior to his current position, David served as Senior Marine Advisor at Asyad Group, Chief Operation Officer at the Company, Chief Operating Officer at Stealth Maritime Corporation and Operations Director at General Maritime Corporation. David started his maritime career as a navigation cadet, being promoted to captain of various vessels up to DWT 500,000.

David graduated from Hull Nautical School with Masters Unlimited and has a Master Class 1 Foreign Going certificate from the Maritime and Coastguard Agency (UK).

Peder Sondergaard (Member)

Peder Sondergaard has over 40 years of experience in the maritime industry. He is the Chief Executive Officer of Ancored B.V., a Dutch consultancy company active in the maritime industry, and serves on the boards of Carrix, Ports International and DP World Sokhna.

Peder holds a Masters license as Merchant Marine from the Copenhagen Nautical University (Denmark) and has completed a number of executive education programmes, including at the London Business School (UK), IMD Management School (Switzerland), Cornell University (USA) and Harvard Business School (USA).

Compliance with Applicable Laws

The Company was incorporated as an SAOC and is under transformation into an SAOG. It has appointed a Board that complies with all applicable FSA and CCL requirements, including the requirement for Independent Directors, who represent the interests of all Shareholders. Two out of five of the Company's directors are Independent Directors in accordance with the description of 'Independent Directors' contained in principle 8 of the Code.

Appointment of the Board

The Board will be elected by the relevant OGM by direct secret ballot. Each Shareholder shall have a number of votes equal to that of the Shares held by it. A Shareholder shall have the right to use the entirety of its votes in support of one nominee or divide its Shares among other nominees of its choice through the voting card. Accordingly, the total number of votes given to the nominees by one Shareholder must not exceed the total number of Shares owned by it. The proposed directors who receive the most votes in the ballot shall be declared elected.

Subject to the CCL and the Code and without prejudice to the Articles, Article 115 of the SAOG Executive Regulations provides that nominees to the membership of the Board must:

- be a natural person;
- be of good conduct and sound reputation;
- be at least 25 years old;
- have a registered shareholder number with MCDC;
- not be unable to settle his indebtedness to the company;
- not be convicted of a felony or dishonourable crime or be adjudicated as bankrupt or insolvent unless rehabilitated;
- not have caused bankruptcy of a company by his sole act or as joint liability of directors;
- present, if nominating himself as an Independent Director, a declaration to that effect and that he will lose his membership if he loses his independence capacity;
- not be a member or a representative of a juristic person in more than four (4) SAOG companies based in Oman;
- not be chairman of more than two (2) SAOG companies with their principal place of business in Oman; and
- not be an employee or a member of the board of directors of a public or closed joint stock company which is carrying out similar objectives to that of the company which he intends to nominate himself to the membership of its board.

Without any prejudice to the regulations of the CCL mentioned above, the following conditions will be fulfilled while forming the Board:

- the Board will comprise all non-executive directors; and
- a minimum of one-third of the total Board (subject to a minimum of two) will be composed of Independent Directors in accordance with the rules and conditions issued by the FSA as have been set out in the Code and the SAOG Executive Regulations.

In accordance with Article 188 of the CCL, if a Board member is no longer qualified to remain on the board of a joint stock company, then his/her membership will cease to be valid by virtue of law. The concerned Board member, upon becoming aware of his/her status of being disqualified, must promptly inform the Board of the loss of his qualification and any resolutions in which such Board member may have participated in voting on after ceasing to be qualified to remain on the Board will be invalid unless such resolutions were passed by a percentage of votes required for their validity excluding the vote of any member who lost his/her right to remain on the Board.

The vacant seat arising after disqualification of the relevant director of the Company may be filled by the remaining Board members in accordance with Article 7 of the Articles whereby if the office of the director of the Company becomes vacant in the period between two OGMs, the Board may appoint an interim director who satisfies the requirements of membership to assume the vacant office until the next OGM. If the number of vacant positions or the members to be appointed by the Board, amounts to more than half the number of elected Board members, the Board must then convene an OGM within sixty (60) days from the date on which the last vacancy on the Board arose to elect the new members to fill the vacant positions. However, in all cases the interim director(s) of the Company shall assume this (these) position(s) for the remaining term of the outgoing Board members.

The Board will elect a Chairman and a deputy chairman from amongst its members. The deputy chairman will officiate as Chairman when the Chairman is absent. The Chairman must implement the resolutions of the Board and the regular business of the Company shall be conducted under the supervision of the Board in accordance with the authority specified in the Articles and internal regulations of the Company.

Role of the Board

The primary role of the Board is to supervise and monitor the management of the Company within a framework of prudent and effective controls that enables risk to be properly assessed and managed and to fulfil its statutory and regulatory obligations under applicable law and regulations.

Powers of the Board

The Board has full authority to perform all acts required to manage the Company in accordance with its objectives and with the primary objective of creating value for the Shareholders. This authority is not limited or restricted except as provided by applicable law, the Articles or a resolution of the Shareholders. The day-to-day management of the Company is performed by the Management, as described in subsequent paragraphs contained in this Chapter.

Article 122 of the SAOG Executive Regulations provides that the Board shall be responsible for:

(i) appointing the chief executive officer or the like and the staff which report to any of them pursuant to the organisational structure of the Company and to specify their rights and duties;

(ii) constituting subcommittees to carry out certain tasks and for the constitution decision to contain the names of members, their duties, rights and obligations;

(iii) appraising the performance of the employees mentioned in clause (i) above, and to assess the work carried out by the subcommittees;

(iv) including in the annual report presented to the AGM the reasons to justify the ability of the company to pursue its specified activities and the achievement of its objectives;

(v) appointing a secretary to the Board in its first meeting;

(vi) including in the governance report a full statement on all amounts which a director might have received during the course of the year;

(vii) ensuring that any decision taken satisfies the legal requirements before being disclosed to the public; and

(viii) specifying the fees for obtaining a true copy of the Articles at not more than OMR 20.

In accordance with Article 185 of the CCL the Board must not perform the following acts unless expressly authorised to do so by the Articles or by a resolution of the Shareholders at a general meeting:

- make donations, except donations required by the business wherever they are small and customary amounts;
- pledge or mortgage the assets of the Company, except to secure debts of the Company incurred in the ordinary course of the Company's business; and
- guarantee debts of third parties, except guarantees made in the ordinary course of business for the sake of achieving the Company's objectives.

In accordance with Article 176 of the CCL, a resolution passed by an EGM is required to sell all or a substantial part of the fixed assets of the Company, the value of which amounts to 25 per cent. or more of the net asset value of the assets of the Company, amend the Articles or transform, merge, dissolve and liquidate the Company.

The Company will be bound by all acts performed by its Board, its Chairman and the Management, as long as they act in the name of the Company and within the scope of their powers.

In accordance with Article 193 of the CCL, the Board may, in the circumstances and subject to the rules specified by the SAOG Executive Regulations, adopt any of its resolutions through circular resolutions. In such case, the secretary of the Board shall record the resolutions that have been adopted by circulation, in the minutes of the meeting of the Board following the adoption thereof.

Pursuant to Article 202 of the CCL, any member of the Board or executive management shall not take advantage of his/her post for obtaining benefits to himself/herself or to any other person. Article 203 of the CCL provides that a member of the board of directors of a company shall not participate in the management of any other company which carries out similar business. The Article further provides that members of the board of directors and the executive management of a company shall not perform for their benefit or for the benefit of third parties any business similar to the company's business or to use assets or funds of the company for their benefit or for the benefit of third parties without the prior approval of the ordinary general meeting of such company.

The CML Executive Regulations also contain regulations relating to "Insider Trading", which:

- define who an insider is (as any person who is in a position to have access to undisclosed material information and includes directors of a company, its executive management and any person who may have obtained such information as a consequence of his employment or family relationships or otherwise); and
- impose reporting obligations on issuers with respect to the list of directors, executive management and their spouses and relatives of the first degree and any amendments in such list.

Insider trading is punishable by fines and imprisonment under the CCL and the CML Executive Regulations. A member of the Board or senior management or other related party of the Company must not have any direct or indirect interest in the transactions or contracts concluded by the Company for its account, except those concluded in accordance with the rules and regulations of the FSA.

The members of the Board will be liable to the Company, the Shareholders and third parties for damages caused by their acts in violation of applicable law and their acts which fall beyond the scope of their powers, or by any fraud or negligence in the performance of their duties or by their failure to act prudently under the given circumstances.

As per Article 18 of the CCL, the shareholders of a company may institute legal proceedings against its board members, auditors, or liquidators of the company or against heirs or successors of any of the above, on account of their acts during the exercise of their duties, within five years commencing from the latest among the following dates:

- date of registration of the company;
- date of act or omission, which is the basis of the action; or
- date of approval of partners or of the general meeting of the company on which the board of directors presented an account of the company's operations for the period covering the act or omission, which is the cause of the action against the managers or board of directors or any of its members.

Remuneration of the Board

The OGM will determine the annual remuneration and sitting fees of the Chairman and the members of the Board in accordance with the regulations on such matters issued by the FSA in accordance with Article 197 of the CCL. The specific rules are set out in Section II Third of the SAOG Regulations which provide that the remuneration of a company's board of directors shall be separated into "*Remuneration*" and "*Sitting Fees*". Sitting fees are paid to members of the Board based on the number of Board and committee meetings they attend during the Financial Year, with Article 129 of the SAOG Executive Regulations providing that these will not amount to more than OMR 10,000 per director of the Company per year.

Articles 130 to 133 of the SAOG Executive Regulations set out the rules for the calculation of remuneration and provide that the directors of the Company's remunerations shall be from the net profits after deduction of taxes, legal and optional reserves and the funds allocated from the profits for capitalisation and dividends.

The general meeting of a company shall determine its directors' remuneration which shall not:

1. exceed OMR 300,000 for an SAOG that realised net profits equal to or exceeding the profits realised in the previous financial year and does not have accumulated losses or losses in its capital; or

2. exceed OMR 150,000 for an SAOG that realised net profits less than the profits realised in the previous financial year and does not have losses in the capital.

The remuneration will be distributed amongst the members of the Board in such proportions and manner as they, by agreement, may determine, failing which the remuneration will be divided equally among the Board members. A member of the Board will be eligible for compensation for his/her services if he/she is assigned a job or travels or does something related to the Company's affairs.

Board Committees

In order to assist the Board in performing its obligations, the Board may form committees to advise it and make recommendations on certain matters. In accordance with Article 196 of the CCL, the Code and the SAOG Executive Regulations the Board has constituted an Audit Committee and Nomination and Remuneration Committee, each comprising of three directors. The Board may establish other committees from time to time. Each of the said committees shall be established in accordance with the provisions of the Code.

Audit Committee

The members of Audit Committee are:

- Peder Sondergaard – Chairman;
- David Stockley – Member; and

- Muhsin Alrustom – Member.

The role of the Audit Committee involves:

- considering the aspects relating to the appointment of external auditors including their fees and terms of engagement;
- reviewing the details of the audit plan of the audit firms and the results of the audit process as to whether or not the auditors have had full access to all relevant documents to perform their job;
- ensuring there is in place adequate procedures to detect and prevent any cases of financial fraud or forgery, to ensure adoption of appropriate accounting policies and principles in accordance with international accounting standards that demonstrate the real financial position of the Company;
- oversight of the internal audit function through an approved audit plan, considering the reports of the internal auditor, ensuring the internal auditor have full access to the relevant documents and reviewing the efficiency of internal audit function regularly;
- reviewing the risk management policy of the Company and the adequacy of internal control systems through the regular reports of internal and external auditors or the appointment of external consultants in this field;
- reviewing the annual and quarterly financial statements before issue, reviewing the reservations of the external auditor on the draft financial statements, if any, and ensuring compliance with international accounting standards and disclosure requirements prescribed by the FSA;
- serving as a channel of communication between the Board and the external auditor and internal auditor;
- reviewing the proposed transactions with related parties to make suitable recommendations to the Board;
- reviewing the reports of the external valuer and the internal auditor and submitting them to the Board together with their recommendations and disclosing the summary of the results of the valuation process as part of the governance report; and
- proposing wages and remunerations and financial and in-kind benefits for the employees of the internal audit unit.

In compliance with the Code, the majority members of the Audit Committee are Independent Directors. In all cases, the chairman of the Audit Committee shall be from amongst the Independent Directors. At least one of the members should have financial and accounting expertise. The Audit Committee will also be responsible for recommending the appointment and remuneration of a suitably qualified and experienced person for the position of the internal audit manager of the Company. Such person will be charged with responsibility for the following:

- developing the internal audit strategy for the Company;
- auditing operations and financial statements of the Company;
- ensuring the Company's compliance with laws and regulations applicable to the Company; and
- preparing periodic reports to the Board with respect to the adequacy and effectiveness of the Company's system of internal administrative, accounting and financing controls and on other issues on which the internal audit manager is requested to report by the Audit Committee of the Board.

In consultation with the Audit Committee, the Company's broader internal audit function ("**GIA**") also advises on and reviews policies related to the Company's internal assurance procedures and audit strategy. GIA's role consists of reviewing all entity-level controls and governance, as well as consulting with other teams across the

Company, including with regard to supply chain management, commercial revenue to receivables, inventory to consumption, fleet maintenance and drydocking, HSE, operations and bunker, financing reporting, treasury functions, asset management and investment, crew management, human resources, legal, insurance, corporate planning and budget, information systems and infrastructure, cybersecurity and operating expenses. GIA takes a risk-based audit approach, whereby the annual plan is prepared in consultation with management and then presented to the Audit Committee for approval.

Establishing an Internal Audit Function at ASC

Following the IPO, the Company intends to appoint resources for the establishment of an independent, internal audit function. The Company's Audit Committee plans to recommend a structure for the internal audit function at the first Board of Directors meeting following the IPO, which is expected to occur in March 2025.

A Company-specific audit plan will be approved by the Audit Committee, and progress in relation to the plan will be presented to the Audit Committee on a quarterly basis. The audit plan and the Company's internal audit function will comply with the internal audit functions requirements of the FSA, including financial statement review.

Role of Group Internal Audit

The Company will continue to utilise certain services provided by the Group Internal Audit function of the Asyad Group ("**GIA**"), as contemplated by the New Services Level Agreement. GIA services would include the following:

- support in developing a risk-based audit strategy and identifying priority areas (both in general and those specific to the maritime cargo industry);
- aligning with overall Asyad Group internal audit strategy;
- providing ad hoc assistance as requested by the Company's Audit Committee;
- supporting the preparation of the Company's risk-based annual internal audit plan;
- advising on general internal audit matters to leverage industry knowledge, functional expertise and existing audit tools; and
- providing project execution support as and when required by the Company internal audit team.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

- Muhsin Al Rustom – Chairman;
- David Stockley – Member; and
- Selim Esmail – Member.

The role of the Nomination and Remuneration Committee involves:

- assisting the Shareholders, while electing the Board at a general meeting in the nomination of proficient directors and the election of the most fit for the purpose;
- assisting the Board in selecting the appropriate and necessary executives for the executive management of the Company;

- assisting the Company in formulating clear, credible and accessible policies to inform shareholders about directors' and executives' remuneration and the rules of remuneration and sitting fees for directors of SAOGs;
- developing and deploying additional performance-based criteria to determine the bonus and remuneration of the chief executive officer and senior executive management of the Company;
- providing succession planning for the executive management;
- developing a succession policy or plan for the Board or at least the chairperson;
- preparing detailed job descriptions of the role and responsibilities for directors including the chairperson;
- identifying and nominating qualified persons to act as interim directors on the Board in the event a seat becomes vacant;
- nominating qualified persons to assume senior executive positions, as required or directed by the Board;
- preparing a bonus, allowances and incentive policy for the executive management; and
- reviewing such policies periodically, taking into account market conditions and company performance.

Senior Management Team

The current composition of the Management is as follows:

Name	Position
Ibrahim Al Nadhairi	Chief Executive Officer
Imad Al Khudhri	Chief Commercial Officer
Franck Kayser	Chief Operating Officer
Ahmed Al-Shukaili	Senior Vice President of Finance

Biographical Information of the Senior Management Team

Ibrahim Al Nadhairi (Chief Executive Officer)

Ibrahim Al Nadhairi has 23 years of industry experience, including as a marine engineer at the Royal Yachts and as Chief Operating Officer and ship manager at the OSMC. Since 2020, Ibrahim has acted as the Chief Executive Officer of the Company and Asyad Drydock Company. He is Chairman of the board of directors of Duqm Port Company and is a board member of UKP&I Club and UK Defence Club, two marine mutual liability insurance clubs.

Ibrahim holds a Higher National Diploma in Marine Engineering from South Tyneside College (UK), a Master of Business Administration (MBA) from Bradford University (UK) and a PhD degree in Strategies and Logistics from Binary University (Malaysia). He also holds a Chief Engineer, STCW Class I Marine Engineering certificate from the Maritime and Coastguard Agency (UK).

Imad Al Khudhri (Chief Commercial Officer)

Imad Al Khudhri has over 23 years of experience in the maritime, logistics and energy sectors, 14 of which have been spent at the Company. He serves on the boards of Hutchison Ports Sohar and Musandam Global Investment Co.

Imad holds a Bachelor of Science (BSc) degree in Decision Sciences and Management Information Systems from George Mason University (USA), a Master of Business Administration (MBA) degree from University of

Strathclyde (UK) and has completed the National CEO Programme with the International Institute for Management Development (IMD).

Franck Kayser (Chief Operating Officer)

Franck Kayser has worked in the maritime industry since 1982 and has experience in seagoing, marine operations, port, terminal and rail operations, technical management of vessels, project management and asset investments. He is serving as Chief Operating Officer of OSMC and has previously served as Chief Executive Officer of Ship Management at V.Group. He has also served on the boards of International Tanker Management and H. Schuldt Shipbrokers and chaired the board of directors at Dania Ship Management. Franck is a Master Mariner.

Franck holds a Baccalaureate degree from Copenhagen Nautical Academy (Denmark), completed the Young Managers Program at INSEAD (France) and the Advanced Management Education Program at Duke University (USA).

Ahmed Al-Shukaili (Senior Vice President of Finance)

Ahmed Al-Shukaili has over 22 years of professional experience and has worked in the shipping industry for 16 years. He has previously worked as the General Manager of Accounts at the Company and the Director of Finance and Corporate Services at the Muscat National Development and Investment Company (ASAAS). Ahmed serves as Chairman of the Audit Committee and Deputy Chairman of Oman Post/Asyad Express.

Ahmed holds a Bachelor of Finance degree from Sultan Qaboos University (Oman), a Master of Business Administration degree from University of Strathclyde (UK) and has completed the Global CFO Programme at London Business School (UK). He is also a certified internal auditor (CIA).

Internal Regulations

In accordance with the provisions set out in Article 117 of the CCL, the Company is required to adopt internal regulations for regulating its management, business and personnel affairs through its Board. Accordingly, the Company has implemented corporate governance processes that meet the FSA's requirements for an SAOG as required by the CCL and by the FSA's regulations, which cover the following:

- organisational structure of the Company, including the responsibilities related to the various posts within the Company and the reporting structure/procedures;
- specifying the extent of expense approval authority vested in each post;
- specifying the allowance for meetings, remuneration and other privileges as prescribed in respect of the members of the Board and Board committees, and the basis for their calculation;
- policies related to procurement and other transactions concerning the Company (works and procurement manual) and service contracts;
- authorities, duties and responsibilities relevant to executive management and Board committees;
- policies related to human resources, including salaries, appointment, development, training, promotions and termination of services;
- investment policies;
- the terms of reference with respect to the Audit and Risk Committee;
- Nomination and Remuneration Committee policy and terms of reference;

- rules related to related party transactions;
- Board communication policy;
- the minimum level of information required to be submitted to the Board;
- policies and measures for submission of material information in a transparent manner to the FSA and the MSX within the specified time including a definition of “material information”; and
- any other regulations that the Board may deem necessary to add for achieving an adequate level of corporate governance.

Chapter XVIII
Rights and Liabilities of Shareholders

Shareholders' liabilities

The liability of a Shareholder for the debts of the Company will be limited to payment of the value of the Shares for which the Shareholder has subscribed. The Shareholder will not be liable for the debts of the Company except to the limit of the value of the Shares subscribed.

Shareholders' rights

All the Shares enjoy equal and inherent rights in accordance with the CCL. These rights include the following:

- the right to receive dividends declared by the general meeting of the Shareholders;
- preferential rights to subscribe for any new Shares;
- the right to share in the distribution of the proceeds of the Company's surplus assets on liquidation;
- the right to transfer Shares in accordance with applicable law;
- the right to access the Company's balance sheet, profit and loss account and Shareholders' register;
- the right to be invited to attend the general meeting and vote in such meetings personally or by proxy (each Shareholder will have one vote for each Share owned);
- the right to apply for annulment of any resolution adopted by a general meeting of the Company or Board if it is in breach and violation of applicable laws, or the Articles in accordance with applicable law;
- the right to institute legal proceedings on behalf of the Shareholders or the Company against the Board or the auditors of the Company in accordance with applicable law; and
- the right (of Shareholders who individually or collectively hold at least 5 per cent. of the Company's shares) to apply for annulment of any resolution made by the general meeting or the Board, if such resolution(s) are detrimental to Shareholders or favour a certain category of Shareholders or bring a special benefit to the members of the Board, otherwise contrary to applicable law, or the Articles, or the internal regulations of the Company, in accordance with Articles 174 and 207 of the CCL.

Reports and statements

The Board shall prepare unaudited quarterly financial statements for the first, second and third quarter of each Financial Year. It shall also prepare an annual report within 60 days from the end of each Financial Year, comprising the audited balance sheet, profit and loss statement, cash flow statement, changes in Shareholders' equity, report of the Board, report on the discussions held by the Board and their analysis and report on the organisation and management of the Company. These statements should be disclosed at least 15 days prior to the relevant AGM through the electronic dissemination system on the MSX website.

The unaudited quarterly financial statements of the Company shall be forwarded to the Information Centre within 30 days from the end of each quarter or any other legal period prescribed by the disclosure rules and conditions issued by the FSA though the private electronic dissemination system of the Information Centre. The said Information Centre shall also be provided with two copies duly endorsed by the Board. The Company shall also have it published within the aforementioned period.

Under Articles 279 and 280 of the CML Executive Regulations, all SAOGs are required to disclose their unaudited quarterly financials within 30 days from the end of each quarter, on the basis of such results being approved by the Board.

Ordinary General Meeting and Annual General Meeting

The Company's annual general meeting ("**AGM**") must be held within 90 days following the end of the relevant Financial Year, in accordance with Article 172 of the CCL. The AGM will be held at such venue, day and time as provided for in the notice of the meeting. OGM's may be called at any time through a given year as determined by the Board or otherwise convened in accordance with the CCL.

In accordance with Article 172 of the CCL, the AGM shall be responsible for the following corporate matters:

(i) to consider and approve the report of the Board on the activities of the Company and its financial status during the previous Financial Year;

(ii) to consider and approve the report of the Board on the organisation and management of the Company during the previous Financial Year;

(iii) to consider and approve the auditor's report on the audited financial statements of the Company during the previous financial year and approve the balance sheet and profit and loss statement of the Company;

(iv) to elect and remove members of the Board;

(v) to consider and approve the proposed distribution of dividends to the Shareholders;

(vi) to consider and approve payment of the remuneration and sitting fees to the members of the Board; and

(vii) to appoint an auditor for the new Financial Year and determine its fees.

The Board shall prepare the agenda of the AGM and OGM. If an AGM or OGM is convened by the auditors, the agenda shall be prepared by them. The Board, or the auditors, if necessary, shall include in the agenda any proposal put forward by Shareholders who represent more than 5 per cent. of the Issued Share Capital provided that such proposal is submitted for inclusion in the agenda at least 20 days before the date of the applicable meeting.

The resolutions of the AGM and OGM shall not be valid unless the meeting is attended by Shareholders or their proxies who represent at least half of the Share Capital of the Company. If such a quorum is not present, a second meeting shall be called to consider the same agenda. The proposed date for the second AGM or OGM shall be listed in the Shareholders' invitation notice for the first AGM/OGM, provided that the date for the second meeting shall be no later than a maximum of seven days following the date of the first AGM/OGM. The resolution of the second AGM/OGM shall be valid regardless of the number of shares represented at the applicable meeting, provided that such meeting is held within seven days from the date of the first meeting. The resolutions of the AGM and OGM shall be adopted by the simple majority of votes cast.

Extraordinary General Meetings

In accordance with Article 176 of the CCL, an EGM will be convened to decide on issues such as:

- disposal of the fixed assets of the Company or any part thereof valued at 25 per cent. or more of the net value of the Company's assets;
- an amendment to the Articles; or
- the transformation, merger, dissolution or liquidation of the Company.

An EGM shall also be convened to decide on all other matters which such meeting is specifically authorised to settle in accordance with the CCL or the Articles.

Resolutions passed at an EGM shall not be valid unless the meeting is attended by Shareholders or proxies representing at least 75 per cent. of the Issued Share Capital. Failing such a quorum, a second meeting shall be convened to consider the same agenda. The Shareholders' invitation notice for the first EGM shall specify a proposed date for the second EGM, provided the date for the second meeting shall be no later than a maximum of seven days from the date of the first EGM.

The resolutions of the second EGM shall be valid if the meeting is attended by Shareholders or proxies representing more than half of the Issued Share Capital, provided such meeting is held within seven days of the date of the first EGM.

The resolutions of the EGM shall be adopted by a majority of 75 per cent. of the votes cast in respect of a resolution, provided such resolution must always receive votes in favour representing more than 50 per cent. of the Issued Share Capital. Provided, however, that such resolutions shall only be valid if approved by the FSA and appropriately registered.

Recourse to the Omani Authorities in case of Shareholder Resolutions

The FSA may, upon the application of Shareholders who own at least 5 per cent of the Shares, issue a decision suspending resolutions adopted at an AGM, OGM or EGM of the Company which are detrimental to such Shareholders or adopted in favour of a certain category of Shareholders, or for providing a special benefit for the members of the Board, or others, if it is convinced that the application is justified.

The request to suspend the implementation of the resolutions adopted by the general meeting shall not be accepted after the lapse of five working days from the date of adoption of such resolutions.

Any stakeholder may institute an action with the competent court to seek nullification of the aforementioned resolutions and furnish the competent authority with a copy thereof, within five working days from the date on which a court decision on the suspension of the resolutions adopted by the general meeting is issued, otherwise the suspension shall be deemed null and void.

The court shall consider any action on the nullification of the resolutions adopted by the general meeting. The court may summarily order the suspension of the competent authority's decision at the request of the litigant, until the action is adjudicated.

Additionally, any Shareholder or any interested party may refer to the Primary Commercial Court within five days from the date on which the meeting was held to decide on nullification of any decision, if that decision is taken during a general meeting in violation of the CCL, the provisions of the Articles or the Company's internal regulations, or through deceit or misuse of authority.

Lock-up Period – Applicability of Article 127 of the CCL

Article 127 of the CCL restricts the founders of an SAOG from disposing of their shares in such company, before it has published two balance sheets for two consecutive financial years, starting from the date of its registration on the Commercial Register. This shall not apply to cases of transfer of shares owned by the state or assignment of shares among shareholders themselves, inheritance or to a public joint stock company set up through the transformation of an existing company, provided it has completed at least two years before the date of transformation. As the Company was registered on the Commercial Register in 20 May 2003, Article 127 of the CCL does not restrict the founders from disposing off their Shares after the IPO.

General restrictions on transfer of ownership of the Shares

Shareholders and acquirers of Shares must abide by the FSA's regimes concerning: disclosure of material shareholding interests in SAOGs; and acquisition of direct and indirect significant shareholding interests in SAOGs covered in the Securities Law and Takeover Code.

The ownership of Shares shall be transferred by recordation in the register of shareholders maintained by the MCDC and the Company shall not consider a Shareholder's ownership of a Share unless such ownership is recorded in its register of shareholders.

The shareholding of each Selling Shareholder may not exceed the maximum limit prescribed and provided for in the Articles and the CCL respectively, unless the necessary approvals are secured. Article 100 of the CCL provides that founders of a public joint stock company shall subscribe for a percentage of at least 30 per cent. and not exceeding 60 per cent. of the share capital of a company save where the public joint stock company has been converted from an existing form of company, in which case, the selling shareholder(s) may retain up to 75 per cent. of the company's share capital. The selling shareholder(s) may exceed the above-specified threshold with the approval of the FSA.

Article 100 of the CCL further provides that a single founder shareholder of a public joint stock company shall not own more than 20 per cent. of the share capital whether in his/her name or in the names of his/her minor children who are less than eighteen (18) years of age, except in the case of conversion, in which case the founders may retain their contribution if such contribution exceeds the percentage prescribed for each founder. In addition, companies fully owned by the Government and holding companies are exempt from the prescribed percentages under Article 100.

No single person or related person up to the second degree may hold or purchase 25 per cent. or more of the shares of an SAOG, save in accordance with the rules issued by the FSA on the subject.

Additionally, if any one shareholder, or group of shareholders, were to sell their shares to another shareholder this may trigger the Takeover Code. A "Take Over" is defined within the Take Over Code as the acquisition of 25 per cent. or more of the issued share capital of an SAOG. Where this occurs, the purchasing entity would be required to comply with the Takeover Code, obtain the FSA's approval to the acquisition and make a mandatory takeover offer to the other shareholders of the SAOG.

Chapter XIX
Subscription Conditions and Procedures

Offer Structure[5]

	Category I Offer (For Local / Regional / International Institutions)	Anchor Investors	Category II Offer (small retail) (For Individual Applicants)	Category II Offer (large retail) (For Individual Applicants)
Offer Size	468,786,985 Offer Shares	312,524,657 Offer Shares	130,218,607 Offer Shares	130,218,607 Offer Shares
Percentage of Offer Size	45.0%	30.0%	12.5%	12.5%
Basis of Allotment	Allotments to Category I Applicants will be determined by the Selling Shareholder in consultation with the Joint Global Coordinators. See section "**Basis of Allotment**" for more details	Allotment confirmed by the Selling Shareholder before the commencement of the Offer Subscription. See "*Chapter XX— Subscription and Sale*" for more details	Proportionate. See section "**Basis of Allotment**" for more details. The FSA may decide that a minimum number of Category II Offer Shares be distributed equally among Category II Applicants (small retail) and the remaining Category II Offer Shares shall be allocated on a pro-rata basis.	Proportionate. See section "**Basis of Allotment**" for more details. Category II Applicants (large retail) Offer Shares shall be allocated on a pro-rata basis.
Minimum Subscription	100,000 Offer Shares and thereafter in multiples of 100 Offer Shares	N/A	1,000 Offer Shares and thereafter in multiples of 100 Offer Shares	81,400 Offer Shares and thereafter in multiples of 100 Offer Shares
Maximum Subscription	No maximum subscription size	312,524,657 Offer Shares (30% of the Offer Size)	81,300 Offer Shares	No maximum subscription size

[5] The number of Shares being offered under the Category I Offer and Category II Offer may increase, subject to exercise of the Upsize Option by the Selling Shareholder. If the Selling Shareholder elects to exercise the Upsize Option, any additional Shares made available shall be offered proportionately to the Category I Applicants and the Category II Applicants.

Terms of Payment	Applicant must make payment to the designated bank account of one of the Joint Bookrunners, the Issue Manager or one of the Collection Agents at least two Oman business days prior to the Settlement Date. The Joint Bookrunners, the Issue Manager or Collection Agents will transfer the subscription amount due against the Offer Shares allotted, at least one Oman business day prior to the Settlement Date to the designated bank account of the Issue Manager. For Category I Applicants placing orders through the Joint Bookrunners, see section "**Terms of Payment for Category I Offer**" for details on terms of payment	Anchor Investors must make payment to the designated bank account of the Collection Agents and the Collection Agents will transfer the subscription amount due against the Offer Shares allotted, at least one Oman business day prior to the Settlement Date to the designated bank account of the Issue Manager.	100% of the Category II (small retail) Application Money to be paid at the time of submission of the Application	100% of the Category II Application (large retail) Money to be paid at the time of submission of the Application
Offer Subscription Period	20 February 2025 to 27 February 2025	N/A	20 February 2025 to 26 February 2025	20 February 2025 to 26 February 2025

For additional details on the circumstances under which the allocations between Category I Applicants and Category II Applicants could change, see "—*Basis of Allotment*".

The Offer

Based on the Price Range, this Offer is being offered to Category I Applicants through a bookbuild offering (as described in more detail in the "*Chapter XXI—Bookbuilding Process*") and to Category II Applicants at the Offer Price. The Offer Price is the final price at which Offer Shares will be issued and allotted pursuant to the terms of this Prospectus. The Offer Price will be decided by the Selling Shareholder in consultation with the Joint Global Coordinators, which will be within the Price Range, on the Pricing Date.

Eligibility for the Subscription of Category I Offer Shares

The Category I Offer will be open to Institutional Applicants only who have their accounts with MCDC.

The Applicants need to consider the Minimum Subscription and Maximum Subscription applicable to them when making an Application. No Anchor Investor may be allotted more than 20 per cent. of the Offer. Category I Applicants may be allotted more than 10 per cent. of the Offer.

Eligibility for the Subscription of Category II Offer Shares

The Category II Offer will be open to Individual Applicants who have their accounts with MCDC.

The Applicants need to consider the Minimum Subscription and Maximum Subscription applicable to them when making an Application. No Category II Applicants can be allotted more than 10 per cent. of the Offer.

Prohibitions with Regard to the Applications for Subscription

The following persons shall not be permitted to subscribe to the Offer:

(i) Sole proprietorship establishments – The owners of sole proprietorship establishments may only submit Applications in their personal names.

(ii) Trust accounts – Applicants registered under trust accounts may only submit Applications in their personal names (except as detailed below).

(iii) Multiple Applications – An Applicant may not submit more than one Application.

(iv) Joint Applications – Applicants may not submit applications in the name of more than one individual (including on behalf of legal heirs).

(v) Selling Shareholder – The selling shareholder of the Company may not submit an Application.

(vi) Related Parties – The related parties of the Company cannot participate in the Category I Offer except where such relationship is due to common shareholding or control exercised by units of the administrative apparatus of the Government or their primary activity is investment related.

Any Applications not complying with the above criteria may be rejected without contacting the relevant prospective investor, although Applications by trust accounts may be accepted in the Offer, at the discretion of the Joint Bookrunners, the Issue Manager or the Collection Agents (as applicable), if they are satisfied that none of the underlying subscribers applying through such trust accounts have also applied using their individual names or their sole proprietorship establishments. The Joint Bookrunners, the Issue Manager or Collection Agents (as applicable) may reject such Application if they become aware that there are multiple applications from such investors applying through trust accounts.

The acceptance by the Joint Bookrunners, the Issue Manager or Collection Agent(s) (as applicable) of Applications made by trust accounts will require issuance of an undertaking signed by the concerned investor providing further details of the underlying investors/beneficiaries on whose behalf the Application has been made. The Joint Bookrunners, the Issue Manager or Collection Agents (as applicable) will clearly communicate to each investor that in case of multiple Applications through a trust accounts and its underlying investor(s) in their own names or their sole proprietorship establishment's name, and all such Applications may be rejected at the discretion of the Joint Bookrunners, the Issue Manager or Collection Agent(s) (as applicable).

Subscription on Behalf of Minor Children (for Category II Offer)

For the purpose of this Offer, any person under 18 years of age on the date of submission of an Application will be defined as a minor.

Only a father may subscribe on behalf of his minor children.

If an Application is made on behalf of a minor by any person other than the minor's father, the person submitting the Application will be required to attach a valid Sharia (Legal) Power of Attorney issued by the competent authorities in Oman authorising him or her to deal in the funds of the minor through sale, purchase and investment.

Applicant's Number with MCDC

Any Applicant who subscribes for the Offer Shares must have an account and Investor Number with the MCDC. Any Applicant may apply to obtain an Investor Number and open an account by completing the "MCDC Application". This may be obtained from the MCDC's Head Office or its website at *www.mcd.om*, Oman Stocks application or from brokerage companies licensed by the FSA. The completed form may be submitted by an Applicant through any of the following channels:

(i) at the head office of the MCDC, at P.O. Box 952, Postal Code 112, Ruwi, Muscat, Sultanate of Oman;

(ii) at the office of any brokerage company licensed by the FSA;

(iii) by sending a facsimile to MCDC at +968 2481 7491; and/or

(iv) by opening an account through the MCDC website at *www.mcd.om*.

In order to open an account with the MCDC, a juristic person will be required to furnish a copy of its constitutional documents, in the form prescribed by the MCDC, along with a completed MCDC Application in order to open an account and receive an Investor Number. Foreign individuals and juristic persons may be subject to additional account opening formalities and authentication requirements determined by the MCDC.

Applicants who already hold accounts with the MCDC are advised, before the Offer, to confirm their details as noted in the Application. Applicants may update their particulars through any of the channels mentioned above.

All correspondence including allocation notices, refunds and dividend payments will be sent as per the Applicant's details recorded at MCDC. Applicants should ensure that their details as provided to the MCDC are correct and kept up to date.

Each Applicant should secure from the MCDC its Investor Number as the Investor Number will be required in order to complete the Application. Each Applicant is responsible for ensuring that the Investor Number set out in their Application is correct. Applications not bearing the correct Investor Number may be rejected without contacting the Applicant.

For more information on these procedures, Applicants should contact the MCDC:

Muscat Clearing & Depository Co. SAOC
P.O. Box 952, Postal Code 112, Ruwi, Muscat, Sultanate of Oman
Tel: +968 2482 2222
www.mcd.om

Minimum and Maximum Limit of Subscription

For Category I Applicants

The minimum subscription is 100,000 Offer Shares and there is no maximum limit on the number of Offer Shares that may be subscribed pursuant to an Application for Category I Applicants. A Category I Applicant may be allotted more than 10 per cent. of the Offer.

For Anchor Investors

There is no minimum subscription requirement, while the maximum number of Offer Shares that may be subscribed to by Anchor Investors in aggregate is equivalent to 30 per cent. of the Offer (i.e., equivalent to 312,524,657 Offer Shares). No Anchor Investor may subscribe for more than 208,349,771 Offer Shares.

For Category II Applicants

(Small Retail)

The minimum subscription is 100 Offer Shares and the maximum limit on number of Offer Shares that may be subscribed pursuant to an Application for Category II Applicants (small retail) is equivalent to no more than 81,300 Offer Shares.

(Large Retail)

The minimum subscription is 81,400 Offer Shares and there is no maximum limit on the number of Offer Shares that may be subscribed pursuant to an Application for Category II Applicants (large retail).

No Category II Applicant can be allotted more than 10 per cent. of the Offer.

Price Range

The Price Range has been fixed at Bzs 117 to Bzs 123 per Share, with Bzs 117 being the minimum price and Bzs 123 being the maximum price.

Offer Period

The Category I Offer Period will commence on 20 February 2025 and end on 27 February 2025. The Category II Offer Period will commence on 20 February 2025 and end 26 February 2025.

Category I Offer

45 per cent. of the Offer Shares (i.e., 468,786,985 Offer Shares) shall be reserved for subscription by Category I Applicants.

Subscription and Application Process for Category I Applicants

Category I Applicants may place Applications with any of the Joint Bookrunners, the Issue Manager or the Collection Agents during official banking hours prior to or on the Category I Offer Closing Date. Applications, once submitted, are binding and can only be modified once by submitting an Application Revision Form for a higher quantity of Shares, a higher price or both, on or before the Category I Offer Closing Date.

Applications shall contain a maximum of three price and quantity combinations (bids). Category I Application Money means the highest Bid Amount from all the bids in the Application for Category I Offer. Each Collection Agent shall be responsible for verifying if the Application complies with the instructions set out in this Prospectus.

Payment for the Offer Shares subscribed by Category I Applicants shall be made in Omani Rials. Category I Applicants will be required to make full payment for the Offer Shares allotted to them to the designated bank account of one of the Joint Bookrunners, the Issue Manager or the Collection Agents, and the Joint Bookrunners, the Issue Manager or Collection Agents will transfer the subscription proceeds, at least one Oman business day prior to the Settlement Date to the designated bank account of the Issue Manager in accordance with the provisions of "Terms of Payment for Category I Applicants".

All Applicants placing orders through the Joint Bookrunners would be required to fund the designated bank account of one of the Joint Bookrunners at least two Oman business days prior to the Settlement Date.

In the event of a failure to make timely payment, Category I Applicants may incur significant charges and/or enforcement action against them.

Indicative Illustration of the Bids

The following table sets out an indicative illustration of certain bids by Category I Applicants that are and are not allowed.

Investor Name	**Investor A**	**Investor B**
No. of Offer Shares at each Bid Price	10,000,000 at Bzs 123	5,000,000 at Bzs 123
	5,000,000 at Bzs 119	10,000,000 at Bzs 121
		15,000,000 at Bzs 119

In the example above, two Applications have been received in the Category I Offer. Each Investor has placed different bids. For Investor A, the bid at Bzs 119 should have been greater than 10,000,000 Offer Shares as Investor A is already willing to buy 10,000,000 Offer Shares at Bzs 123. As a result, the bid of 5,000,000 at Bzs 119 for Investor A will be rejected. Investor B has made valid bids, as the quantity of Offer Shares demanded at every lower price point is higher. Furthermore, if the cut-off price is determined as Bzs 121, then Investor B will receive allotment based on only the bid of 10,000,000 Offer Shares at Bzs 121 and the bid of 5,000,000 Offer Shares at Bzs 123 will not be considered.

Indicative Illustration of the Bids in an Application

Bid	**Bid Price (Bzs) (A)**	**Total Offer Shares demanded at the price (B)**	**Bid Amount (OMR) (C) = (A*B)/1,000**	**Amount Payable (D) = Maximum of (C)**
Bid 1	123	5,000,000	615,000	1,785,000
Bid 2	121	10,000,000	1,210,000	
Bid 3	119	15,000,000	1,785,000	

Price Discovery and Determination of Offer Price and Allocation

After the Category I Offer Closing Date, and once all Applications have been submitted to the Issue Manager by the Joint Bookrunners, the Issue Manager and Collection Agents, the Selling Shareholder in consultation with the Joint Global Coordinators will determine the Offer Price, which will be within the Price Range.

The allocation of Offer Shares to Category I Applicants will be determined by the Selling Shareholder in consultation with the Joint Global Coordinators, and shall be based on certain criteria and an allocation mechanism. The criteria to be considered by the Joint Global Coordinators and Selling Shareholder will include: (i) investor type, including investment profile and investment interest in the Company's sector; (ii) investor size, including assets under management; (iii) qualitative insights on investor behaviour, including participation in previous offerings and holding patterns in previous offerings; (iv) investor participation and engagement in the marketing process of the Offer; and (v) potential for creating post-Offer trading liquidity. The above criteria, as well as the level of demand in the Category I Offer, may impact the percentage of allocation of the total orders of the Category I Applicants.

If there is undersubscription in the Category II Offer (such that it comprises less than 25 per cent. of the Offer) and provided that there is oversubscription in the Category I Offer, the Selling Shareholder will make any unsubscribed Offer Shares of the Category II Offer available for allocation to the Category I Applicants in the respective proportions outlined above.

If the Category I Applicants do not take up all of such unsubscribed Offer Shares during the bookbuilding process, the Issue Manager will offer these shares for a second round within 15 days from the end of the Category I Offer period, for a discounted price, in accordance with Article (25) of the Rules for Pricing Mechanism in Public Offering of Shares, as the case may be, to the extent their oversubscription has not been satisfied. In case the Offer size is not subscribed fully even in the second round, the Offer will be considered as failed and the Company must withdraw the Offer and file a fresh application if it desires to pursue the Offer again.

If the Upsize Option is exercised, the number of Shares made available shall be offered on a proportional basis between the Category I Applicants and the Category II Applicants

Immediately after receiving FSA approval of the proposed allotment, (i) the Offer Price will be announced by the Company on the MSX and (ii) the Issue Manager will send the investor allocation details to the MCDC and the Joint Global Coordinators. The Joint Bookrunners, the Issue Manager and the Collection Agents will notify Category I Applicants of their allocations.

Terms of Payment for Category I Offer

Each Collection Agent will open an escrow account entitled the "ASC IPO Collection Agent" account for the collection of the Category I Application Money.

The Issue Manager will open an escrow account entitled the "ASC IPO Issue Manager" account to receive the subscription proceeds from the Collection Agents at least one Oman business day prior to the Settlement Date. This account will be managed by the Issue Manager for the Category I Offer. After deduction of all applicable fees, expenses and VAT determined until that date, the Issue Manager for the Category I Offer will transfer the net proceeds in such account to the escrow account of the MCDC on the Settlement Date.

Each Category I Applicant shall be required to make full payment for the Offer Shares allotted to them to the designated bank account of one of the Joint Bookrunners, the Issue Manager or one of the Collection Agents at least two Oman business days prior to the Settlement Date. However, at the time of accepting the Application, the Collection Agent may block the Category I Applicant's account maintained by the respective Collection Agent for an amount equal to the Category I Application Money.

The respective Collection Agent or Joint Bookrunner or the Issue Manager will transfer the subscription proceeds at least one Oman business day prior to the Settlement Date, to the designated bank account of the Issue Manager. In the event of failure by a Category I Applicant to make timely payment, the concerned Category I Applicant may incur significant charges and/or enforcement action against it. Prospective investors can pay for their subscription by drawing a demand draft issued by a bank in Oman or by instructing an account transfer for the amount payable at the time stated above.

All Applicants placing orders through the Joint Bookrunners would be required to fund one of the Joint Bookrunners at least two Oman business days prior to the Settlement Date, who will then fund the escrow account entitled "ASC IPO Issue Manager" of the Issue Manager no later than one Oman business day prior to the Settlement Date.

Delivery of the Offer Shares is expected to be made on the Settlement Date to the accounts of the Category I investors through the book-entry facilities operated by the MCDC.

Particulars of the Bank Account of the Category I Applicants submitting via a Collection Agent

Each Category I Applicant is required to furnish the particulars of its bank account (registered in the name of the Applicant). The Applicant must not use the bank account number of any other person or legal entity.

If the bank account of an Applicant is registered with a bank other than one of the Collection Agents, the Applicant will be required to submit a document to confirm the details of the bank account particulars as provided in the Application. This can be done by submitting any document from the bank of the Applicant that states the account number and name of the account holder. Documents that may be accepted include account statements or a letter or any document issued by the bank confirming this information. The Applicant is responsible for ensuring that the evidence submitted is legible and contains the required information. The Applicant is not obliged to submit any evidence with regard to the accuracy of its bank account if it is subscribing through a Collection Agent where it maintains its account. In this case, the Collection Agent will be required to verify and confirm the correctness of the Applicant's account through its own system and procedures or through the evidence submitted to it by the Applicant.

The Application containing the bank account number of a person or legal entity other than the Applicant may be rejected.

Category II Offer

25 per cent. of the Offer (260,437,214 Offer Shares) will be available for subscription by and allocation to Category II Applicants, split equally between the Category II Applicants (large retail) and Category II Applicants (small retail) subcategories. Whether an applicant is considered in the Category II Applicants (large retail) or Category II Applicants (small retail) subcategory will be automatically determined by the number of Shares being subscribed. Should the subscribed Shares be up to (and including) 81,300 Offer Shares, the Category II Applicant will be considered as Category II Applicants (small retail). For any subscribed Shares of 81,400 Offer Shares or greater, the Category II Applicant will be considered to be part of Category II Applicants (large retail).

An Applicant cannot submit more than one application and will only be categorised as part of the Category II Applicants (small retail) or Category II Applicants (large retail), but not both.

Subscription Process for Category II Applicants

Mode of Application: The Category II Offer process will be conducted through the E-IPO Mechanism.

Collection Agent E-IPO Platform

Applicants will be able to submit Applications to the Collection Agents during official banking working hours on or before the Category II Offer Closing Date. Prospective investors will need to contact a Collection Agent for further guidance on the E-IPO channel provided by the respective Collection Agent.

The Applicant will be required, before completing the Application through E-IPO, to carefully read this Prospectus, including the conditions and procedures governing the E-IPO Application. Copies of this Prospectus will be available to the Applicants through the Collection Agents, on the Company's IPO microsite or can be downloaded from the websites of the FSA and MSX, as follows: www.FSA.gov.om and www.msx.om, respectively.

The Category II Application Money will be paid by the Investor as per the terms of the E-IPO Mechanism used by each Collection Agent.

MCDC E-IPO Platform

Applicants can provide their particulars in the E-IPO Platform on the MCDC website (www.mcd.om).

After verifying all the particulars, the Applicant will need to print the E-IPO Application. The Applicant needs to submit the E-IPO Application along with supporting documents and Category II Application Money to one of the Collection Agents. The Applicant will need to contact its respective Collection Agent for further guidance on the E-IPO channel provided by the respective Collection Agent. The Category II Application Money will be paid by the Applicant as per the terms of the E-IPO collection process utilised by each Collection Agent. The Collection Agent will, after verifying the supporting documents and confirming the receipt of the Category II Application Money, validate the E-IPO Application in the E-IPO Platform and share a copy of the acknowledgement of the E-IPO Application with each Applicant. The Applicant needs to ensure that they receive a copy of the acknowledgement from the Collection Agent as a valid proof of their Application.

Applications

The Application must be completed in full in accordance with the instructions contained in this Prospectus. Incomplete Applications may be rejected.

Each Applicant is eligible to submit only one Application. Applications once submitted cannot be cancelled by the Applicant. Submission of a second Application to either the same or to another Collection Agent will be treated as such investor having submitted multiple applications and may result in all Applications submitted by the investor being rejected at any point in time prior to the allotment of Shares in the Offer.

Documentation Required

A copy of a valid power of attorney duly endorsed by the competent legal authorities is required if the subscription is on behalf of another person (with the exception of a subscription made by a father on behalf of his minor children).

Application Money

Along with submission of the Application, all Category II Applicants must make a payment of 100 per cent. of the subscription amount, calculated as the total number of Offer Shares applied for multiplied by Bzs 123 per Share (the "**Category II Application Money**").

Terms of Payment for Category II

The Collection Agents will open an escrow account for the collection of the Category II Application Money.

This account will be managed by each Collection Agent, who will within the next two Oman business days after the receipt of Category II Application Money transfer the collection proceeds to the common escrow account maintained by the MCDC.

Each Category II Applicant can pay by cash, drawing a demand draft issued by a bank in Oman or instruct an account transfer for the amount payable at the time of submission of the Application.

Refunds

Category II Applicants will be allotted Offer Shares at the Offer Price. The Offer Price will be determined by the outcome of the bookbuilding offering to Category I Applicants. Any refunds due to a Category II Applicant will be calculated based on the difference between (i) the Category II Application Money paid by such Category II Applicant, and (ii) the number of Offer Shares allotted to such Category II Applicant multiplied by the Offer Price.

Particulars of the Bank Account of the Category II Applicants

The details of the Applicant's bank account listed in the records of the MCDC will be used for transferring any refund. However, if an Applicant takes a leverage facility for the IPO from a Collection Agent, the refund will be made into the Applicant's loan account with the respective Collection Agent.

Basis of Allotment

Applications received from Category II Applicants (large retail) and Category II Applicants (small retail) will be grouped together to determine the total demand under Category II Offer. The allotment to all Category II Applicants will be at the Offer Price. If the aggregate demand in the Category II Offer is less than or equal to 25 per cent. of the Category II Offer (260,437,214 Offer Shares), the full allotment will be made to the Category II Applicants up to the number of Offer Shares in their valid applications. If there is oversubscription in the Category I Offer and the aggregate demand in Category II is less than 25 per cent. of the Offer, then after full allocation to the Category II Applicants, the balance of the Offer Shares shall be made available to Category I Applicants for allocation at the Offer Price.

If the aggregate demand in Category II is greater than 25 per cent. of the Offer Shares, the Offer Shares will be allocated on a proportionate basis, and the FSA may decide that a minimum number of Category II Offer Shares be distributed equally among Category II Applicants (small retail) and the remainder of Category II Offer Shares shall be allocated on a pro-rata basis.

If the Upsize Option is exercised, the number of Shares made available shall be offered on a proportional basis between the Category I Applicants and the Category II Applicants.

Allotment Confirmation and Refund of Money for Category II

The MCDC will send an SMS to investors who have been allotted Offer Shares to their mobile number registered with the MCDC after the end of the Category II Offer Period following receipt of the approval of the FSA on the proposed allotments. The MCDC is also expected to commence refunds of any excess money to eligible investors within three Oman business days after receiving the approval of the FSA on the proposed allotments.

Collection Agents Receiving the Applications

- Sohar International Bank SAOG;
- Bank Muscat SAOG;
- Ahli Bank SAOG;
- Bank Dhofar SAOG;
- National Bank of Oman SAOG;
- Oman Arab Bank SAOG;
- Horizons Capital Markets SAOC;
- Asset Management LLC;
- Ubhar Capital SAOC;
- United Securities LLC;
- Vision Securities LLC;
- CFI Financial LLC; and

- Financial Services Company SAOG.

Acceptance of the Applications

The Issue Manager or the Collection Agents may not accept an Application if:

- the Application does not bear the signature of the Applicant;
- the Application Money is not paid by the Applicant in accordance with the conditions set out in this Prospectus;
- the Application does not include the Applicant's Investor Number registered with the MCDC;
- the Application is submitted in joint names;
- the Applicant is a sole proprietorship or trust account;
- the Investor Number furnished in the Application is incorrect;
- the Applicant submits more than one Application in the same name, in which case all of them may be rejected;
- the supporting documents are not enclosed with the Application;
- the Application does not contain all the particulars of the bank account of the Applicant;
- the particulars of the bank account provided for in the Application are found to be incorrect or not relevant to the Applicant, with the exception of Applications submitted in the names of minor children, who are allowed to make use of the particulars of the bank accounts held by their father;
- the power of attorney is not attached to the Application in respect of an Applicant who subscribes on behalf of another person (with the exception of the fathers who subscribe on behalf of their minor children); or
- the Application does not comply with the legal requirements as provided for in this Prospectus.

If any of the Issue Manager or a Collection Agent receives an Application that does not comply with the procedures set out in this Prospectus, reasonable effort will be taken to contact the investor so that the mistake may be corrected. If the investor does not rectify the Application within a specified period, the Issue Manager or the respective Collection Agent will return the Application together with the Application Money to the prospective investor.

Refusal of Applications

The Issue Manager may reject any Application under any of the conditions referred to above, subject to securing the approval of the FSA and submission of a comprehensive report furnishing the details of the Applications that are rejected and the reasons behind the rejections.

Enquiries and Complaints

Investors who intend to seek clarification or file complaints with regard to issues related to the allotment of Shares or rejected Applications or refunds, may contact the Collection Agent through which the subscription was made. The contact details of the Collection Agents are below:

Collection Agent	Contact Names	Postal Address	Contact Details
Sohar International SAOG	Hussain Ali Al Lawati Amina Al Busaidi Mohammed Al Sharji	PO Box 44, Hai Al Mina, Postal Code 114, Muscat, Sultanate of Oman	IPOSupport@soharinternational.com; +968 2473 0372 +968 2473 0125
Bank Muscat SAOG	Sarah Kalbani Al Muaiyad Al Sabti	PO Box 134, Postal Code 112, Muscat, Sultanate of Oman	BrokerageBackOffice@bankmuscat.com; +968 2476 8044 +968 2480 1065
Ahli Bank SAOG	Mohamed Al Abri Khalid Al Riyami	PO Box 545, Postal Code 116, Mina Al Fahal, Muscat, Sultanate of Oman	mohammedg.alabri@ahlibank.om; +968 2465 3180 khalid.alriyami@ahlibank.om; +968 2457 7824
Bank Dhofar SAOG	Hamid Said Hashmat Parag Mathur	PO Box 1507, Postal Code 112, Ruwi, Muscat, Sultanate of Oman	InvestmentBackOffice@bankdhofar.com; +968 9702 7773 p.mathur@bankdhofar.com
National Bank of Oman SAOG	Salim Al Musallami Wadhah Al Hooti	PO Box 751, Postal Code 112, Ruwi, Muscat, Sultanate of Oman	nbobackoffice@nbo.om; +968 2477 8075 +968 2477 8662
Oman Arab Bank SAOG	Saqar Al Harrasi Ghada Al Raisi	PO Box 2240, Postal Code 130, Al Ghubrah North, Sultanate of Oman	Saker.AlHarasi@omanarabbank.com; +968 2475 4526 Ghada.AlRaisi@oman-arabbank.com; +968 2475 4653
Horizons Capital Markets SAOC	Hamed Al Salti Lubna Al Lawati	PO Box 856, Postal Code 115, Muscat, Sultanate of Oman	hamed.mo@hcmoman.com; +968 2482 6053 lubna@hcmoman.com; +968 2482 6036
Jabal Asset Management LLC	Mohammed Sultan Saif ALMahrooqi Faiz Abdullah AlBalushi Haneen Al Bulooshi Dawood Al Ali	PO Box 2209, Postal Code 133, North Alkhuwair, Bousher, Muscat, Sultanate of Oman	Trading@jabal.om JAMOperations@jabal.om brokerage.products@jabal.om; +968 210207834 +968 21027842 (trading desk)
Ubhar Capital SAOC	Ibrahim Nasser ALHasani Ahmed AlAjmi Musallam Jaboob	PO Box 1137, Postal Code 111, Muscat, Sultanate of Oman	i.al-hasani@u-capital.net; +968 2494 9004 ahmed.alajmi@ucapital.net; +968 2494 9060 musallam@u-capital.net; +968 2494 9065
United Securities LLC	Ayman Al Lawati Osama Shihab	PO Box 2566, Postal Code 112, Sultanate of Oman	Ayman@usoman.com; +968 2476 3337 Osama@usoman.com; +968 2476 3329
Vision Securities LLC	Mohammad Gouda Mohammed Al Mehrezi	PO Box 712, Postal Code 131, Muscat, Sultanate of Oman	mohd.gouda@visioncapital.om; +968 2476 0017

			al.om; +968 2476 0015
CFI Financial LLC	Sultan Al Nuumani Khalid Al Sinani	PO Box 123, Postal Code 114, Muscat, Sultanate of Oman	s.alnuumani@cfi.trade +968 9925 6619 k.alsinani@cfi.trade +968 9775 6000
Financial Services Company SAOG	Ibrahim Al Hasani Nadir Al Balushi	PO Box 2777, Postal Code 112, Ruwi, Sultanate of Oman	ibrahim.alhasani@fscoman.net +968 2482 5601 nadir.albalushi@fscoman.net +968 2482 5604

If the Collection Agent does not respond, the Applicants may contact the Issue Manager whose details are set out below:

Sohar International Bank SAOG
Mr. Al Muatasim Al Mutairi
AVP – Head of Islamic Investment Banking at Sohar International
P.O. Box 44, Postal Code 114,
Ruwi, Muscat, Sultanate of Oman
Email: almuatasim.almutairi@soharinternational.com
Phone: +968 2403 7306

Proposed Timetable

The following table shows the expected timetable for completion of the subscription procedures:

Procedure	Date
Category I Offer Opening Date	20 February 2025
Category II Offer Opening Date	20 February 2025
Category I Offer Closing Date	27 February 2025
Category II Offer Closing Date	26 February 2025
Due date for Collection Agent to receive subscription amounts from Category II Applicants	Immediately upon subscription
Due date for the Issue Manager to receive the subscription data and final registers from the Collection Agent	02 March 2025
Finalisation of the Offer Price and notification to the FSA of the outcome of the subscription and the proposed allotments	03 March 2025
Approval of the FSA on the proposed allotment	04 March 2025
Announcement of Offer Price on the MSX and notification of investor allotments / Pricing Date	04 March 2025
Due date for the Collection Agents and the Joint Global Coordinators to notify the Category I applicants of the allocation results	04 March 2025
Date of signing of the Pricing Memorandum by the Joint Global Coordinators, Collection Agents and Selling Shareholders (as part of the Institutional Settlement Agreement)	04 March 2025

Commencement of transfer of funds received from Category I investors for their allocated shares to the Joint Global Coordinators or their Collection Agent	04 March 2025
Last date for transfer of funds received from Category I investors for the shares allocated to them to the Joint Global Coordinators or their Collection Agent	06 March 2025
Due date for Issue Manager to receive Category I subscription amounts from Collection Agents and the Joint Global Coordinators	06-09 March 2025
Due date of the Issue Manager to transfer the net proceeds of the Category I investors (after deducting the fees of the Joint Global Coordinators and Collection Agents) to Muscat Clearing and Depository Company (Settlement Date)	10 March 2025
Confirmation of Muscat Clearing and Depository Company on receipt of all IPO proceeds	10 March 2025
Commencement of refund for Category I and Category II Applicants and dispatch of the notices regarding allotment	10-11 March 2025
Listing Date	12 March 2025

Listing and Trading of the Offer Shares

The Offer Shares will be listed on the MSX in accordance with the laws and procedures in force on the date the application is made for the listing and registration. The Listing Date is an estimated date and the exact date will be published on the MSX website.

Responsibilities and Obligations

The Issue Manager, the Collection Agents and the MCDC must abide by the responsibilities and obligations set out under applicable law and by the directives and regulations issued by the FSA.

The parties concerned will be required to take remedial measures with regard to the damages arising from any negligence committed in the performance of the functions and responsibilities assigned to them. The Issue Manager and the Collection Agents will be the bodies who are responsible before the regulatory authorities for taking suitable steps and making good such damages.

Eligible Investors

Other than in Oman, no action has been taken or will be taken in any jurisdiction that would permit a public offering of the Offer Shares or the possession, circulation or distribution of this Prospectus or any other material relating to the Company or the Shares, in any country or jurisdiction where action for that purpose is required. Accordingly, the Offer Shares may not be offered or sold, directly or indirectly, nor may this Prospectus or any other offering material or advertisement or other document or information in connection with the Offer Shares be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. See "*Selling Restrictions*".

As referenced above, the Offer Shares have not been, and will not be, registered under the Securities Act or with any security regulatory authority of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. All offers and sales of the Offer Shares will be made outside the United States in compliance with Regulation S under the Securities Act and in accordance with applicable law.

Each investor in the Offer Shares will be deemed to have represented, agreed and acknowledged that it has received a copy of this Prospectus and such other information as it deems necessary to make an investment decision and that:

(a) the investor is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations;

(b) the investor acknowledges that the Offer Shares have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state, territory or other jurisdiction of the United States, and, subject to certain exceptions, may not be offered or sold within the United States;

(c) the investor and the person, if any, for whose account or benefit the purchaser is acquiring the Offer Shares, was located outside the United States at the time the buy order for such Offer Shares was originated and continues to be located outside the United States;

(d) the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;

(e) the Offer Shares have not been offered to the purchaser by means of any "directed selling efforts" as defined in Regulation S under the Securities Act;

(f) if the investor is acquiring any Offer Shares as a fiduciary or agent for one or more accounts, the purchaser represents that the purchaser has sole investment discretion with respect to each such account and that the purchaser has full power to make, and does make, the foregoing acknowledgements, representations and agreements on behalf of each such account;

(g) the investor understands that any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions may not be recognised by the Company; and

(h) the investor acknowledges that the Company, the Selling Shareholder, the Joint Bookrunners, the Issue Manager, the Collection Agents and their respective affiliates will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Chapter XX
Subscription and Sale

The Company, the Selling Shareholder, the Joint Bookrunners, the Issue Manager and the Collection Agents have entered into an institutional settlement agreement dated 18 February 2025 with respect to the Offer Shares (the "**Institutional Settlement Agreement**"). Subject to the satisfaction of certain conditions set out in the Institutional Settlement Agreement, including the execution of the Pricing Memorandum (as defined below), each Joint Bookrunner, the Issue Manager and Collection Agent has agreed, severally but not jointly, to procure purchasers, or failing which to purchase, the Offer Shares in the Category I Offer on terms specified in the Institutional Settlement Agreement and the Pricing Memorandum. The number of Offer Shares will be determined on the Pricing Date and set out in the Pricing Memorandum. Such number of Shares will also be communicated in a press release to be issued by the Company.

The Price Range is Bzs 117 to Bzs 123 per Share.

The Company will apply for the listing of the Shares on the MSX under the symbol "ASCO".

All commissions to the Joint Bookrunners, the Issue Manager and the Collection Agents will be paid by the Selling Shareholder. The expenses of the Offer will be borne by the Selling Shareholder.

Institutional Settlement Agreement

In the Institutional Settlement Agreement, the Company and the Selling Shareholder have made certain representations and warranties and the Company has agreed to indemnify the several Joint Bookrunners, the Issue Manager and the Collection Agents against certain liabilities, including liability under the Securities Act. The Joint Bookrunners, the Issue Manager and the Collection Agents are offering the Offer Shares on behalf of the Selling Shareholder when, as and if delivered to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the Offer Shares, and other conditions contained in the Institutional Settlement Agreement, such as the receipt by the Joint Bookrunners, the Issue Manager and the Collection Agents of officers' certificates and legal opinions.

The several commitments of the Joint Bookrunners, the Issue Manager and the Collection Agents to procure investors, or failing which to invest, the Offer Shares in the Category I Offer will be subject to certain conditions precedent, including among others, the execution of a pricing memorandum to the Institutional Settlement Agreement (the "**Pricing Memorandum**") by the Company, the Selling Shareholder and the Joint Bookrunners setting forth the Offer Price for the Offer Shares and the final number of Offer Shares offered in the Offer. The Pricing Memorandum is expected to be executed on the Pricing Date. The Joint Bookrunners may terminate the Institutional Settlement Agreement prior to the Settlement Date under certain specified conditions that are typical for an agreement of this nature. If any of such conditions are not satisfied or waived, or the Institutional Settlement Agreement is terminated prior to the Settlement Date, then the Offer will lapse. The Institutional Settlement Agreement shall automatically terminate if Admission does not become effective within seven calendar days of the proposed Listing Date. Should this occur, then: (i) the Offer shall automatically terminate; (ii) the Selling Shareholder shall refund all monies received from investors; and (iii) applicants who purchased Offer Shares in the Offer will be required to return the Offer Shares they have purchased to the Selling Shareholder. For further details, see "*Chapter IV—Risk Factors—Risks Relating to the Offer and to the Shares—The application for listing of the Shares on the MSX may not be successful.*"

Pricing of the Offer

Prior to the Offer, there has been no public market for the Offer Shares. No assurance can be given as to the liquidity of the trading market for the Offer Shares. The Price Range was determined by the Selling Shareholder and the Company, in consultation with the Joint Global Coordinators.

Upsize Option

The Selling Shareholder has retained the option to increase the Offer size by up to 15 per cent. of the total Offer Shares if the Selling Shareholder, following review of the demand from investors, decides to exercise the option to sell and allot further Shares. If the Upsize Option is exercised, the number of Shares made available shall be offered on a proportional basis between the Category I Applicants and the Category II Applicants.

Lock-up Arrangements

Pursuant to the Institutional Settlement Agreement, the Company and each Selling Shareholder has contractually agreed, for a period of 180 calendar days after the Admission, not to: (i) directly or indirectly issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant, or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of, directly or indirectly, any Shares or other shares of the Company, or securities convertible or exchangeable into or exercisable for any Shares or warrants or other rights to purchase Shares or any security or financial product whose value is determined, directly or indirectly, by reference to the price of the Offer Shares; (ii) enter into any swap, or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Shares, in each case, whether any such transaction is to be settled by delivery of Shares or other securities, in cash or otherwise; or (iii) announce publicly such an intention to effect any such transaction, in each case, without the prior written consent of the Joint Global Coordinators.

In respect of the Selling Shareholder only, the foregoing restriction will not apply to:

(i) the sale of the Offer Shares to be sold pursuant to the Offer;

(ii) any inter-company transfers of Shares by a Selling Shareholder in favour of its affiliates (“**Transferees**”), provided that: (a) prior to the making of any such transfer, the Transferee shall agree to be bound by the lock-up obligations of the Selling Shareholder; (b) any such intercompany transfers of Shares shall be performed on terms and conditions that do not conflict with the Offer; and (c) in the event that a Transferee ceases to be an affiliate of a Selling Shareholder, the Shares transferred to such Transferee shall, prior to such cessation, be transferred back to such Selling Shareholder;

(iii) accepting a general offer made to all holders of Shares then in issue (other than Shares held by the person making the offer or its affiliates) on terms which treat all holders of Shares alike, or executing and delivering an irrevocable commitment or undertaking to accept such a general offer (without any further agreement to transfer or dispose of any Shares or any interest therein);

(iv) taking up any rights granted in respect of a pre-emptive share offering by the Company in order to sell a sufficient number of its rights in order to acquire the balance of its rights;

(v) selling or otherwise disposing of Shares pursuant to any offer by the Company to purchase its own Shares which is made on identical terms to all holders of Shares in the Company;

(vi) any disposal by and/or allotment and issue of shares to a Selling Shareholder pursuant to any capital reorganisation in respect of any Shares beneficially owned, held or controlled by such Selling

Shareholder, provided that any shares issued to or otherwise acquired by such Selling Shareholder pursuant to such capital reorganisation shall be subject to the lock-up restrictions; or

(vii) transferring or otherwise disposing of Shares pursuant to a compromise or arrangement between the Company and its creditors or any class of them or between the Company and its members of any class of them which is agreed to by the creditor or members and (where required) sanctioned by any applicable authority.

Anchor Investors

Each of the Anchor Investors has entered into an Anchor Investment Agreement with the Company and the Selling Shareholder (together, the "**Anchor Investment Agreements**" and each an "**Anchor Investment Agreement**").

The Company has received irrevocable commitments from the Anchor Investors, subject to the terms contained within the Anchor Investment Agreements, to subscribe to the Offer at the highest price in the Price Range. The following table provides details regarding such subscriptions:

Name of Anchor Investor	Number of Offer Shares Subscribed for at the Offer Price(1)	Subscription Amount at the Offer Price(1) (OMR)	% of Offer
Falcon Investments LLC(2)	208,349,771	25,627,021.833	20%
Mars Development and Investment LLC (3)	104,174,886	12,813,510.978	10%
Total	**312,524,657**	**38,440,533**	**30%**

Notes:

(1) Assumes that the Offer Price is set at the top of the Price Range.

(2) Falcon Investments LLC is a subsidiary of Qatar Investment Authority, the sovereign wealth fund of the State of Qatar.

(3) Mars Development and Investment LLC was established in 2017 as a wholly owned government investment company registered in Oman which invests across multiple asset classes and sectors both locally and internationally. The company is dynamic in its approach, with the ultimate goal of generating direct and indirect value to Oman through knowledge transfer, technological advancement and socioeconomic development.

The Anchor Investment Agreements are subject to certain customary conditions precedent being satisfied, including execution of the Institutional Settlement Agreement by the parties thereto, approval of the Prospectus by the FSA and publication of the Prospectus by the Company. The Anchor Investment Agreements will terminate automatically if the Institutional Settlement Agreement is terminated pursuant to its terms, and the Anchor Investment Agreements may be terminated if there is a material breach of a fundamental term thereof, by mutual consent of the parties thereto or if the conditions have not been fulfilled or waived on or before 31 March 2025 or such other date as may be agreed between the Company, the Selling Shareholder and the Anchor Investors. The Offer Shares to be acquired by the Anchor Investors will rank *pari passu* with all other Offer Shares sold in the Offer.

Pursuant to the terms of the Anchor Investment Agreements, each Anchor Investor has agreed, *inter alia*, that it shall not for the period from the date of its Anchor Investment Agreement until the date falling 90 days following the Listing Date, offer, sell or contract to sell, transfer or otherwise dispose of, directly or indirectly, or announce an offer of any Shares it has acquired under its Anchor Investment Agreement (or any interest therein in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing. The Offer Shares purchased in the Offer by an Anchor Investor will be held in such Anchor Investor's account with the MCDC and shall be locked and not tradeable for the duration of the 90 day lock-up period commencing from the Listing Date.

Other Relationships

In connection with the Offer, each of the Joint Bookrunners, the Issue Manager and the Collection Agents and any affiliate, may take up Offer Shares in the Offer as a principal position and in that capacity may retain, purchase or sell for its own account such Offer Shares and any related investments and may offer or sell such Offer Shares or other investments otherwise than in connection with the Offer. Accordingly, references in this Prospectus to the Offer Shares being offered or placed should be read as including any offering or placement of Offer Shares to the Joint Bookrunners, the Issue Manager and the Collection Agents and any affiliate acting as an investor for its own account. In addition, certain of the Joint Bookrunners, the Issue Manager and the Collection Agents or their affiliates may enter into financing arrangements (including swaps, warrants or contracts for differences) with investors in connection with which the Joint Bookrunners, the Issue Manager and the Collection Agents (or their affiliates) may from time to time acquire, hold or dispose of Shares. None of the Joint Bookrunners, the Issue Manager and the Collection Agents intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Moreover, in the course of their business with the Company and with parties affiliated with the Company (including the Selling Shareholder), the Joint Bookrunners, the Issue Manager and the Collection Agents and/or their respective affiliates may have from time to time been engaged, and may in the future engage, in commercial banking, lending, trading, hedging, investment banking and financial advisory and ancillary activities, for which they have received, and may in the future receive, customary compensation. In respect of the aforementioned, the sharing of information is generally restricted for reasons of confidentiality, by internal procedures or by rules and regulations. As a result of any such transactions, any Joint Bookrunner, the Issue Manager or Collection Agent may have interests that may not be aligned, or could potentially conflict, with the interests of holders of Offer Shares or with the interests of the Company or the Selling Shareholder.

Chapter XXI
Bookbuilding Process

Background

The Offer has been structured into two parts: a bookbuild portion, targeting Category I Applicants, and a fixed price offering, targeting Category II Applicants. The Category I Offer Period will commence on 20 February 2025 and end on 27 February 2025. The Category II Offer Period will commence on 20 February 2025 and end on 26 February 2025.

Bookbuilding is a method used to determine the share price of an offering, based on actual demand. It is an interactive mechanism by which institutional investors relay indications of demand and price preference to the bookrunners. Unlike "fixed price" offerings where there is only one price for the shares offered, it is important to note that this Offer was launched with a Price Range (i.e., a maximum and minimum price per Offer Share), which will be used to determine the Offer Price through the bookbuild process. Bookbuilding is used extensively in other international markets, and has been used within Oman for certain offerings.

The Joint Bookrunners gathered feedback from potential Category I Applicants on their views on the positioning of the Company, its strengths and weaknesses and the valuation of the Company. The Selling Shareholder evaluated the information collected during this stage with the Joint Global Coordinators to determine the Price Range.

During the Category I Offer, the Selling Shareholder, in consultation with the Joint Global Coordinators, will use the information received from Category I Applicants to determine the Offer Price, thus balancing demand and price and taking into account market conditions and the Category I Applicants' assessment of the Company's valuation. On the closing of the Category I Offer Period, the Joint Global Coordinators and the Selling Shareholder will meet to examine the Application book, including the aggregate demand and the number of Offer Shares demanded at each price within the Price Range and agree on the Offer Price, which, may be at or below the price where the aggregate demand exceeds the number of Offer Shares in the Offering.

The Category II Offer will follow the usual subscription process for a fixed price offering, except that:

- Category II Applicants will place their Applications with the Collection Agents and will purchase the Offer Shares at the Offer Price, which will be determined by the Selling Shareholder, in consultation with the Joint Global Coordinators, following the Category I bookbuilding process
- Any refunds due to a Category II Applicant will be calculated based on the difference between (i) the Category II Application Money paid by such Category II Applicant, and (ii) the number of Offer Shares allotted to such Category II Applicant multiplied by the Offer Price.

Allocation process

The allocation of Offer Shares to Category I Applicants is expected to be determined by the Selling Shareholder in consultation with the Joint Global Coordinators which shall be based on certain criteria and an allocation mechanism. The criteria to be considered by the Joint Global Coordinators and Selling Shareholder will include: (i) investor type, including investment profile and investment interest in the Company's sector; (ii) investor size, including assets under management; (iii) qualitative insights on investor behaviour, including participation in previous offerings and holding patterns in previous offerings; (iv) investor participation and engagement in the marketing process of the Offer; and (v) potential for creating post-Offer trading liquidity. The above criteria, as well as the level of demand in the Category I Offer, may impact the percentage of allocation of the total orders of the Category I Applicants.

Refer to Basis of Allotment in *Chapter XIX– Subscription Conditions and Procedures* for further detail on the allocation procedure for Category II Offer.

Chapter XXII
Valuation Methodologies

Offer Price

The Company and the Selling Shareholder, in consultation with the Joint Global Coordinators, have determined that the Price Range will be Bzs 117 to Bzs 123 per Offer Share.

An investor education and marketing process with a select group of potential institutional investors based in Oman and internationally was undertaken by the Company in order to solicit feedback that has informed the determination of the Price Range for the Offer, along with other factors including the objectives of the Company and the Selling Shareholder. In providing this feedback, these potential institutional investors have taken into account current market conditions and a range of valuation methodologies that they believe to be appropriate in assessing the fair valuation of the Company and/or the valuation at which they would be willing to subscribe in the Offer.

Valuation Methodologies

There are various valuation methodologies that can be used by potential investors. A non-exhaustive description of potential methodologies that investors could consider are described below.

Discounted Cash Flow Analysis ("DCF")

DCF is a valuation method that estimates the current value of a company by using investors' own views on expected future cash flows and discount rate. Future estimated cash flows are discounted using this assumed discount rate to calculate the present value of the company today. Investors are responsible for estimating their own assumptions of the future cash flows of the Company and for their own discount rates in assessing the value of the Company. For periods beyond their own assessment of the forecast cash flow period, investors may opt to value this using a comparable peer multiple or terminal growth rate.

Investors may opt to use DCF because:

- It appraises an intrinsic value of the company and is capable of reflecting company specific factors;
- It is a forward-looking analysis based on cashflow and is accordingly capable of taking into account expected future growth in the Company and / or any expected changes in the Company's future performance; and
- It is less influenced by prevailing market conditions at a single point in time.

Investors should be aware of certain risks with a DCF, which include but are not limited to:

- Valuation is highly sensitive to underlying assumptions on key revenue drivers, cash flow, terminal value and discount rate;
- Valuation depends on long term projections which may not be estimated accurately or which may not be available from broker research analysts at a particular point in time. Projections are also subject to future changes in macroeconomic, technical, regulatory or company specific factors; and
- Terminal value can represent a significant portion of total DCF value, increasing the sensitivity of assumptions taken to generate the terminal value.

Comparable Companies Analysis ("CCA")

CCA is a relative valuation methodology that utilises the current trading metrics of public listed companies that are deemed to be comparable to determine the valuation of a company. This approach can be taken on, amongst others, price to earnings multiples, enterprise value to EBITDA multiples, etc. This approach can be used to benchmark both a company's historical performance and future estimated performance against such identified potential comparable companies (e.g. applying the comparable companies' 2025 multiple (based on 2025 financial estimates for the comparable companies by one or more broker research analysts) to the investors own estimate of a company's 2025 financial performance)

Investors may opt to use CCA because it:

- Is a simpler approach utilising publicly available information;
- Relies on market efficiency theory (with trading valuation expected to reflect all publicly available information on the comparable companies); and
- Takes into account prevailing market conditions.

Investors should be aware of certain risks with a CCA, which include, but are not limited to:

- It may not be possible to find an accurate list of comparable companies;
- The financial performance of any individual company will reflect, inter alia, the maturity of its assets and the fiscal terms under which it operates, which may be materially different from an existing publicly listed company;
- Current trading multiples of a company may be influenced by stock specific factors or through inaccurate current trading prices due to low liquidity, small market capitalisation, limited research coverage and 2025 estimates, etc.;
- It may not factor in future growth prospects (whether organic, inorganic or M&A) for comparable companies; and
- Investors may need to make adjustments for differences in accounting standards and / or policies, corporate tax environment, etc. across comparable companies.

Dividend yield

Dividend yield is a subset of the CCA methodology where an investor considers the available or expected dividend yield that the company will generate. This can be compared to the dividend yield available from other listed companies or compared to listed instruments or other interest generating investment opportunities. Dividend yield may be more typically used for companies which have an explicit dividend policy and/or are expected to pay dividends on a regular basis in the future.

Investors may opt to use dividend yield because it:

- Offers a simpler approach when a clear dividend policy is provided by the company; and
- May also allow a simpler comparison across both other listed public companies and other return-generating instruments.

Investors should be aware of certain risks associated with dividend yield methodology, which include, but are not limited to:

- Dividend payments in the future are not guaranteed and may increase or decrease versus the expectations or guidance from the company based on prevailing market or company specific factors;
- It may not fully factor in expected growth in the company which represents incremental value on top of the dividend payout;

- Dividend yield may be impacted by external factors, including the current return available from other yielding investment opportunities; and
- Dividend policies and associated pay-out ratios are often bespoke to individual companies and hence may not be comparable.

Important Notice

Every investor is responsible for obtaining his, her or its own independent professional advice on an investment in the Offer Shares and for conducting an independent valuation of the information and assumptions contained herein using appropriate analysis. All equity investments carry market risks to varying degrees. The value of any security can fall as well as rise depending on the market conditions.

In making an investment decision, prospective investors must rely upon their own examination, analysis and enquiry of the Company, the terms of this Prospectus and the Offer, including the merits and risks involved in making an investment.

Chapter XXII
Taxation

Prospective investors are advised to consult their tax advisers as to the consequences, under the tax laws of the countries of their respective citizenship, residence, ordinary residence or domicile, of an investment in the Company and the Shares. This summary is based upon the law as in effect on the date of this Prospectus and is subject to any changes in law that might take effect after such date.

Oman

The statements herein regarding taxation are based on the tax laws (specially the Oman Income Tax Law (promulgated by Royal Decree 28/2009) (the "**Oman Income Tax Law**") (as amended by Royal Decree 09/2017 and by Royal Decree 118/2020, the "**Tax Amendments**") and the Executive Regulation on the Oman Income Tax Law issued by the Ministerial Decision No. 30/2012 ("**Executive Tax Regulations**")) in effect in Oman as at the date of this Prospectus and are subject to any changes of law occurring after such date. The following is a summary only of the material Omani tax consequences of ownership of the Shares by potential investors who are not Oman Tax Residents (as defined below).

The following summary does not purport to be a comprehensive description of all the tax considerations and is not intended to reflect the individual tax position of any owner, which may be relevant to a decision to purchase, own or dispose of the Shares and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules. This summary is based upon laws, regulations, rulings and decisions now in effect, all of which are subject to change. Prospective purchasers of the Shares are advised to consult their own tax advisers concerning the overall tax consequences of their acquiring, holding, and disposing of the Shares, including in particular the effect of any local laws.

Withholding Taxes in Oman

Pursuant to Article 52 of the Oman Income Tax, withholding tax is payable on the following categories of income earned in Oman:

(a) royalties;

(b) consideration for conducting research and development;

(c) consideration for using or the right to use computer programmes;

(d) fees in consideration for management or performance of services; and

(e) payment of dividends on shares or interest.

Royal Decree 9/2017 amended the Oman Income Tax Law to include payments to non-resident persons towards "provision for services" as part of the specified payments that are subject to withholding tax. On 1 March 2018, the tax authority clarified that withholding tax on services is applicable, irrespective of whether the services are performed in Oman or abroad.

The Tax Decision amending the Executive Regulation clarified some of the above provisions. The amended Executive Regulations define the term "realised in Oman" to mean "whenever the source of such funds is from Oman", which could possibly mean that the payer happens to be a taxpayer in Oman. Further, the Executive Regulations have excluded the following seven categories of payments from "payment in considerations of rendering services", for withholding tax purposes:

- conferences, seminars or exhibitions;

- training;
- transport and shipping of goods and insurance thereupon;
- airline tickets and cost of staying abroad;
- board meetings;
- payments for re-insurance; and
- services rendered in relation to any activity or property located outside Oman.

In view of the above exclusions, it would be implied that all other services except the above exclusions, irrespective of the place of rendition, are now subject to withholding tax in Oman.

Withholding tax shall not be levied on the gross amount of the aforementioned categories of income paid or credited to the account of any Oman-based "tax residents", as such term is defined under Article 18 (bis) of the Oman Income Tax Law as being: "*...(1) a natural person residing in Oman during a fiscal year, provided that they have been present within Oman for a period for 183 consecutive or non-consecutive days during the fiscal year, (2) a corporate person residing in Oman during the fiscal year, provided that it meets any of the following criteria: (a) that it has been established in Oman as per the laws and Royal Decrees in force therein, or (b) that its main or actual headquarters is located in Oman*" ("**Oman Tax Residents**"). However, withholding tax shall be levied on the gross amount of the aforementioned categories of income paid or credited to the account of any persons who are not Oman Tax Residents in the cases specified in Article 40, read with Article 53, of the Oman Income Tax Law if such persons do not have a permanent establishment in Oman.

Additionally, the Tax Amendments extend the requirement to deduct withholding tax payable pursuant to Article 53bis to any Ministry, authority, public institution or other public juristic person or unit of the administrative apparatus of Oman. The applicable tax rate is 10 per cent. of the gross amount paid or credited to the account of the persons specified above.

Oman-registered institutional investors are Oman Tax Residents and, therefore, will not be subject to Omani withholding tax. However, offshore institutional investors who are not Oman Tax Residents shall be subject to withholding tax, regardless of whether or not they are owned by Oman Tax Residents.

The FSA on 15 May 2019 announced that, on the basis of a Royal directive, withholding tax applicable to dividends and interest on foreign borrowings was to be suspended for a period of three years effective from 6 May 2019 (the "**2019 Tax Suspension**"). The Secretariat General for Taxation (currently, the Oman Tax Authority) subsequently issued an open letter to Ernst and Young on 11 June 2019 confirming the 2019 Tax Suspension. No copy of the aforementioned Royal directive has been available for public inspection.

The 2019 Tax Suspension was extended under the Economic Stimulus Plan ("**ESP**") approved by Oman's Council of Ministers presided by His Majesty Sultan Haitham bin Tarek on 9 March 2021. While this extension was not published by way of a Royal Decree in the Official Gazette of Oman, Omani media outlets reported on 9 March 2021 that the ESP suspension of the application of the withholding tax on dividend distributions and interest amounts had been extended for a period of five years with effect from 2020 (the "**2021 Tax Suspension**"). On 11 January 2023, His Majesty Sultan Haitham bin Tarek issued a further Royal directive under which it was announced that withholding tax would no longer apply to dividend distributions and interest amounts (the "**2023 Royal Directive**", and together with the 2019 Tax Suspension and the 2021 Tax Suspension, the "**Tax Suspensions**"). While there has been no official confirmation in the form of a Royal Decree of the 2023 Directive, details were published online by the Omani Ministry of Interior.

As a result of the Tax Suspensions, no withholding tax will be applicable to dividend payments made by the Company to holders of the Shares who are not Oman Tax Residents for as long as the withholding tax suspension under the 2023 Royal Directive is effective.

It is not clear whether fees in consideration for management or performance of services would include any arrangement fee, commitment fee or agency fee. Further, it is also not clear whether these fees would be considered as a service for the purposes of withholding tax. In a case where these fees are regarded as a management fee or fee for performance of services, the suspension of the withholding tax on interest would not apply to these fees and hence, the same would be subject to withholding tax.

Corporate Income Tax

Tax in Oman is governed by the Oman Income Tax Law and various other Royal Decrees and Ministerial decisions.

Tax is charged on business establishments owned by individuals, companies incorporated in Oman and permanent establishments (registered/unregistered branches) of foreign persons.

Under the Oman Income Tax Law, the Company is subject to the normal corporate income tax rate of 15 per cent of its income.

Every taxable entity is required to file a final return of income for every tax year together with the audited financial statements which should be prepared in accordance with the International Financial Reporting Standards.

Oman has entered into a comprehensive double taxation treaty with 35 countries (effective treaties) which include the United Kingdom, France and Spain, among others.

Capital Gains Taxes in Oman

Under the Oman Income Tax Law, gains on the sale or redemption of the Shares by shareholders who are residents or are deemed to have a permanent establishment in Oman will be subject to a tax of 15 per cent of their annual taxable gain from such sale or redemption, if such income: (i) forms part of such shareholder's business profits which are realised in Oman and are recorded as having been realised as such in its financial statements; and (ii) such shareholders are not otherwise exempted under the Oman Income Tax Law. Consequently, any profit or gain realised by a shareholder as a result of the sale of the Shares shall constitute part of the shareholder's taxable income in Oman only where such proceeds are attributable to the shareholder's permanent establishment in Oman and are recorded as such in its financial statements. A shareholder who is neither resident in nor deemed to have permanent establishment in Oman will not be liable for such tax. For the avoidance of doubt, a shareholder will not be deemed to have a permanent establishment in Oman on the sole basis of its ownership of the Shares.

Value Added Tax in Oman

On 12 October 2020, His Majesty Sultan Haitham bin Tarek Al Said issued Royal Decree 121/2020 promulgating the law on value added tax (the "**VAT Law**"). The VAT Law was published in the Official Gazette of Oman on 18 October 2020 and came into effect on 16 April 2021. The VAT Law imposes a value added tax at a base rate of 5 per cent. on most goods and services exported to or imported from Oman. On 4 January 2021, the Oman Tax Authority issued three decisions in relation to the VAT Law, the first of which determines the monetary thresholds for mandatory and voluntary registration, the second provides a list of food items that are zero rated and the third determines a schedule for mandatory tax registration for taxable persons. On 10 March 2021, the Oman Tax Authority issued the executive regulations to the VAT Law. Between March and April 2021, two further decisions (No. 59/2021 and No. 65/2021) were issued in relation to VAT, providing a list of further food items and medical supplies that are zero rated. On 7 July 2021, Royal Decree 50/2021 was issued to ratify the Unified Agreement for Value Added Tax for the States of the Cooperation Council for the Arab States of the Gulf, dated 27 November 2016.

All sales made by the Company within Oman are subject to VAT while its exports to other countries (comprising on average approximately 95 per cent. of its sales) are exempt from VAT.

Chapter XXIII
Legal Matters

Certain legal matters with respect to the Offer will be passed upon for the Company by Linklaters LLP and Al Maamary, Al Abri & Co. Certain legal matters with respect to the Offer will be passed upon for the Joint Global Coordinators, the Joint Bookrunners, the Issue Manager and the Collection Agents by Allen Overy Shearman Sterling LLP.

Chapter XXIV
Independent Auditors

The financial statements of the Company as at and for the years ended 31 December 2023 and 31 December 2022, included in this Prospectus, have been audited in accordance with IFRS by KPMG LLC, independent auditors, as stated in their reports appearing herein. The financial statements of the Company as at and for the nine months ended 31 September 2024, included in this Prospectus, have been audited in accordance with IFRS by KPMG LLC. The comparative financials as at and for the nine months ended 31 September 2023 have been reviewed in accordance with IAS 34 by KPMG LLC.

Chapter XXV
Historical Financial Statements

Audited interim consolidated financial statements as at and for nine months ended 30 September 2024

Audited consolidated financial statements as at and for the year ended 31 December 2023

Audited consolidated financial statements as at and for the year ended 31 December 2022

ASYAD SHIPPING COMPANY SAOC
AND ITS SUBSIDIARIES

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024

Registered office:

P.O. Box 104, Postal Code 118
Madinat Al Sultan Qaboos
Bousher, Muscat

Principal place of business:

Bawsher Heights, Building No. 1/171
Complex 261, Bawsher
Muscat, Sultanate of Oman

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024

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ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT

	Note	30 September 2024 (Audited) RO	31 December 2023 (Audited) RO
ASSETS			
Non-current assets			
Property, vessels and equipment	7	**625,747,590**	636,264,448
Intangible assets	33	**245,169**	-
Right-of-use assets	8.1	**134,307,586**	135,043,072
Equity-accounted investees	9	**24,976,950**	24,225,986
Finance lease receivables	10	**117,030,837**	123,430,807
Loans receivable	10	**1,942,417**	7,462,926
Derivatives	15	**355,116**	748,196
Fixed term & margin deposits	10(f)	**7,700,000**	-
Deferred tax assets	29	**7,466,981**	6,637,032
		919,772,646	933,812,467
Current assets			
Finance lease receivables	10	**8,144,644**	7,626,320
Loans receivable	10	**5,688,453**	58,960
Trade receivables	10(c)	**21,080,488**	12,763,879
Derivatives	15	**1,204,708**	2,561,620
Contract assets	10(d)	**1,855,087**	2,386,634
Other financial assets at amortised cost	10(e)	**3,389,763**	4,113,853
Cash and cash equivalents	10(f)	**33,343,018**	51,996,653
Fixed term & margin deposits	10(f)	**102,664,986**	123,806,285
Other current assets	11	**15,714,948**	16,149,721
Inventories	30	**8,028,771**	9,308,908
		201,114,866	230,772,833
Total assets		**1,120,887,512**	1,164,585,300
EQUITY AND LIABILITIES			
EQUITY			
Share capital	12	**130,218,606**	130,218,606
Legal reserves	13	**18,124,737**	16,688,720
Cumulative changes in fair values		**1,508,504**	3,190,270
Retained earnings		**296,893,818**	275,807,515
Equity attributable to the owners of the Company		**446,745,665**	425,905,111
Non-controlling interests	34	**19,349,273**	17,939,417
Total equity		**466,094,938**	443,844,528
LIABILITIES			
Non-current liabilities			
Loans and borrowings	14	**412,319,640**	435,941,893
Employee end of service benefits	16	**864,030**	879,927
Derivatives	15	**17,899**	17,899
Lease liabilities	8.2	**71,888,696**	76,137,948
		485,090,265	512,977,667
Current liabilities			
Trade and other payables	17	**21,771,099**	42,179,389
Loans and borrowings	14	**53,425,605**	68,427,679
Income tax payable	29	**31,997**	860
Lease liabilities	8.2	**79,098,913**	84,438,257
Contract liabilities	31	**15,374,695**	12,716,920
		169,702,309	207,763,105
Total liabilities		**654,792,574**	720,740,772
Total equity and liabilities		**1,120,887,512**	1,164,585,300

The consolidated interim financial statements including notes from 1 to 37 were approved and authorised for issue in accordance with a resolution of the Board of Directors on ______________________ and were signed on their behalf by:

____________________ ____________________

Chairman Director

The accompanying notes form an integral part of these consolidated interim financial statements.
Independent auditors' report – page 1 to 3.

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER

	Note	**2024 (Audited) RO**	2023 (Reviewed) RO
Revenue	19	**274,866,966**	274,617,137
Voyage operating costs	21	**(38,763,315)**	(62,234,981)
Charter hire expenses for short term vessel hires		**(18,565,535)**	(22,451,332)
Vessel operating costs	23	**(134,344,334)**	(122,917,392)
Gross profit		**83,193,782**	67,013,432
Other income	28	**294,326**	7,404,325
Dividend income		**130,750**	147,571
Commercial expenses	24	**(5,403,499)**	(6,566,981)
General and administrative expenses	25	**(11,034,391)**	(7,807,797)
Impairment (losses) / reversal on financial assets	10(g)	**(281,905)**	129,944
Impairment losses on right-of-use assets	8.1	**-**	(22,325,594)
Gain on sale of property, vessels and equipment		**3,110**	1,826
Operating profit		**66,902,173**	37,996,726
Finance costs	26	**(29,901,301)**	(31,491,453)
Finance income	27	**7,164,660**	11,049,680
Share of results of equity-accounted-investees - net of tax	9	**942,397**	570,525
Profit before tax		**45,107,929**	18,125,478
Income tax credit	29	**798,223**	75,384
Profit for the period		**45,906,152**	18,200,862
Other comprehensive loss			
Items that are or may be reclassified subsequently to profit or loss			
Cash flow hedges – effective portion of changes in fair value *	15.1	**199,272**	(1,692,637)
Cash flow hedges – reclassified to profit or loss *	15.1	**(1,949,264)**	(3,573,964)
Other comprehensive loss for the period, net of tax		**(1,749,992)**	(5,266,601)
Total comprehensive income for the period		**44,156,160**	12,934,261
Profit attributable to:			
Owners of the Company		**42,522,320**	14,814,391
Non-controlling interests	34	**3,383,832**	3,386,471
		45,906,152	18,200,862
Total comprehensive income attributable to:			
Owners of the Company		**40,840,554**	9,547,790
Non-controlling interests		**3,315,606**	3,386,471
		44,156,160	12,934,261
Earnings per share			
Basic and diluted earnings per share	20	**0.327**	0.114

*The cash flow hedges do not have any tax impact as these relate to entities registered in jurisdictions where tax is not payable.

The accompanying notes form an integral part of these consolidated interim financial statements

Independent auditor's report - page 1 to 3.

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER

	Attributable to owners of the Company						
	Share capital RO	Legal reserves RO	Cumulative changes in fair values RO	Retained earnings RO	Total RO	Non-controlling interests RO	Total equity RO
2023							
Balance at 1 January 2023 (Audited)	130,218,606	11,708,469	10,319,455	283,811,001	436,057,531	17,666,725	453,724,256
Total comprehensive income for the period							
Profit for the period	-	-	-	14,814,391	14,814,391	3,386,471	18,200,862
Other comprehensive loss for the period	-	-	(5,266,601)	-	(5,266,601)	-	(5,266,601)
			(5,266,601)	14,814,391	9,547,790	3,386,471	12,934,261
Transfer to legal reserves	-	1,630,587	-	(1,630,587)	-	-	-
Transactions with owners of the company							
Dividends (note 14)	-	-	-	(20,000,000)	(20,000,000)	(2,079,000)	(22,079,000)
Balance at 30 September 2023 (Reviewed)	130,218,606	13,339,056	5,052,854	276,994,805	425,605,321	18,974,196	444,579,517

	Attributable to owners of the Company						
	Share capital RO	**Legal reserves RO**	**Cumulative changes in fair values RO**	**Retained earnings RO**	**Total RO**	**Non-controlling interests RO**	**Total equity RO**
2024							
Balance at 1 January 2024 (Audited)	**130,218,606**	**16,688,720**	**3,190,270**	**275,807,515**	**425,905,111**	**17,939,417**	**443,844,528**
Total comprehensive income for the period							
Profit for the period	-	-	-	**42,522,320**	**42,522,320**	**3,383,832**	**45,906,152**
Other comprehensive loss for the period			**(1,681,766)**	-	**(1,681,766)**	**(68,226)**	**(1,749,992)**
	-	-	**(1,681,766)**	**42,522,320**	**40,840,554**	**3,315,606**	**44,156,160**
Transfer to legal reserves	-	**1,436,017**	-	**(1,436,017)**	-	-	-
Transactions with owners of the company							
Dividends (note 14)	-	-	-	**(20,000,000)**	**(20,000,000)**	**(1,905,750)**	**(21,905,750)**
Balance at 30 September 2024 (Audited)	**130,218,606**	**18,124,737**	**1,508,504**	**296,893,818**	**446,745,665**	**19,349,273**	**466,094,938**

The accompanying notes form an integral part of these consolidated interim financial statements

Independent auditor's report - page 1 to 3.

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER

	Note	2024 (Audited) RO	2023 (Reviewed) RO
Cash flows from operating activities			
Profit before tax		**45,107,929**	18,125,478
Adjustments for:			
Impairment losses / (reversal) on financial assets	10(g)	**281,905**	(129,944)
Gain on sale of property, vessels and equipment		**(3,110)**	(1,826)
Impairment losses on right of use assets		**-**	22,325,594
Depreciation and amortisation	7, 8, 33	**96,094,787**	86,910,624
Share of results of joint ventures and associate - net of tax	9	**(942,397)**	(570,525)
Provision for employees' end of service benefits	16	**103,714**	100,399
Finance income	27	**(7,164,660)**	(11,049,680)
Finance costs	26	**29,901,301**	31,491,453
Dividend income		**(130,750)**	(147,571)
		163,248,719	147,054,002
Changes in:			
Inventories		**1,280,137**	(629,518)
Trade receivables		**(8,553,657)**	338,413
Contract assets		**542,569**	6,664,563
Other financial assets at amortised cost		**660,458**	2,630,309
Other current assets		**434,773**	5,869,158
Trade and other payables		**(20,370,857)**	(2,803,099)
Contract liabilities		**2,657,775**	135,520
		139,899,917	159,259,348
Interest paid (including interest portion of lease liabilities)		**(25,476,844)**	(28,168,404)
Employees' end of service benefit paid	16	**(119,611)**	(75,497)
Income tax paid	29	**(589)**	(73,141)
Net cash from operating activities		**114,302,873**	130,942,306
Cash flows from investing activities			
Acquisition of property, vessels and equipment	7	**(26,662,013)**	(59,759,495)
Proceeds from sale of property, vessels and equipment		**10,781**	12,455
Fixed term and margin deposits invested		**(45,258,354)**	(91,009,710)
Fixed term and margin deposits matured		**59,842,791**	82,795,783
Dividends received		**284,750**	1,495,071
Receipts from finance lease receivables		**5,780,425**	5,220,740
Interest received		**6,021,522**	9,866,395
Net cash generated from / (used in) investing activities		**19,902**	(51,378,761)
Cash flows from financing activities			
Proceeds from loans and borrowings	14	**222,911,250**	-
Repayments of borrowings	14	**(257,476,124)**	(36,374,979)
Lease payments -principal portion	8.4	**(68,021,866)**	(47,437,355)
Deferred finance cost payment	14	**(248,807)**	-
Dividend paid	14	**(21,905,750)**	(22,079,000)
Net cash used in financing activities		**(124,741,297)**	(105,891,334)
Net decrease in cash and cash equivalents		**(10,418,522)**	(26,327,789)
Cash and cash equivalents at 1 January		**43,761,540**	50,329,062
Cash and cash equivalents at 30 September (note 10(f))		**33,343,018**	24,001,273

The Reconciliation of liabilities arising from financing activities is shown in note 14.

The accompanying notes form an integral part of these consolidated interim financial statements

Independent auditor's report - page 1 to 3.

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 Legal status and principal activities

Asyad Shipping Company SAOC (the "Company") and its subsidiaries together referred as (the "Group") are engaged in investment in ship owning companies, vessel charter hire activities and ship management activities. The Group operates internationally.

The Company is 100% owned by Asyad Group SAOC (the "Immediate Parent Company"). Asyad Group SAOC is 100% owned by the Oman Investment Authority which is ultimately owned by the Government of Sultanate of Oman (the "Ultimate Controlling Party").

2 Basis of preparation

2.1 Statement of compliances

The consolidated interim financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards), including the requirements of IAS 34 *Interim Financial Reporting* and applicable requirements of the Commercial Companies Law of 2019.

The consolidated interim financial statements have been presented in Rial Omani ("RO"). The functional currency of the Company is US Dollars ("USD") as this is the currency which determines the pricing of the Group's operational transactions including other primary indicators required to be considered under International Financial Reporting Standards. The Group translates the USD amounts to RO amounts at an exchange rate of USD 1 = RO 0.385. The exchange rate has been constant throughout the current and prior years, as the Rial Omani is pegged to the USD.

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated interim financial statements are presented in Rial Omani (RO), which is the Company's presentation currency.

The consolidated interim financial statements are prepared under the historical cost convention modified where applicable for financial assets and financial liabilities carried at fair value and disclosed in financial statements.

The preparation of interim financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated interim financial statements are disclosed in note 5.

2.2 New and amended standards adopted by the Group

The Group has adopted all new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 January 2024.

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2024:

New accounting standards or amendments	Effective for annual periods beginning on or after
Classification of Liabilities as Current or Non-current and Non-current Liabilities with covenants – Amendments to IAS 1	01 January 2024
Supplier Finance Arrangements - Amendment to IAS 7 and IFRS 7	01 January 2024
Lease liability in a sale and leaseback - Amendments to IFRS 16	01 January 2024

The above standards and amendments do not have any material impact on the Group financial statements.

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

2 Basis of preparation (continued)

2.3 New standards, amendments and interpretations not yet effective or adopted

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

New accounting standards or amendments	Effective for annual periods beginning on or after
Lack of Exchangeability – Amendments to IAS 21	01 January 2025
Classification and measurement of financial instruments IFRS 9 and IFRS 7	01 January 2026
Annual improvements to IFRS Accounting Standards – Volume 11	01 January 2026
IFRS 18 Presentation and disclosure in financial statements	01 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	01 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Available for optional adoption/ effective date deferred indefinitely

There are no other IFRS standards, amendments or interpretations that are expected to have a material impact on the Group.

2.4 Change in material accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in the Group's financial statements as at and for the year ended 31 December 2023.

3 Summary of material accounting policies

The Group's principal accounting policies are summarized below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Basis of consolidation

(a) Business combination

The Group accounts for business combinations under the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

3 Summary of material accounting policies (continued)

3.1 Basis of consolidation (continued)

(b) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated interim financial statements from the date on which control commences until the date on which control ceases.

The financial statements of the subsidiaries are prepared for the same reporting year as the Company, using consistent accounting policies.

(c) Interest in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.
Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for under the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated interim financial statements include the Group's share of the profit or loss and OCI of equity- accounted investees, until the date on which significant influence or joint control ceases.

(d) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee." Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(e) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(f) Non-controlling interests

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

3.2 Property, vessels and equipment

(a) Owned assets

Items of property, vessel and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost of marine vessels includes purchase price paid to third parties, including registration and legal documentation costs, all directly attributable costs incurred to bring the vessel into working condition at the area of planned use, mobilisation costs to the operating location, sea trial costs, significant rebuild expenditure incurred during the life of the asset and financing costs incurred during the construction period of vessels. Costs for other items of property, vessels and equipment include expenditure that is directly attributable to the acquisition of the asset. When parts of an item of property, vessels and equipment have different useful lives, they are accounted for as separate items of property, vessel and equipment.

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

3 Summary of material accounting policies (continued)

3.2 Property, vessels and equipment (continued)

(b) Subsequent expenditure

Expenditure incurred to replace a component of an item of property, vessels and equipment that is accounted for separately, including major inspection and overhaul expenditure is capitalised. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in property, vessels and equipment. All other expenditure is recognised in the statement of comprehensive income as an expense as incurred. Costs incurred to refurbish owned assets are capitalised within property, vessels and equipment and then depreciated over the shorter of the estimated economic life of the related refurbishment or the remaining life of the vessel.

(c) Depreciation

Depreciation is charged to the statement of comprehensive income on a straight line basis over the estimated useful lives of items of property, vessels and equipment. The estimated useful lives are as follows:

	Years
Vessels	20 to 30
Dry docking costs	2½ to 5
Computer equipment	3
Motor vehicles	5
Furniture and fixtures	3 to 5
Buildings	50

The depreciation period for second-hand vessels is determined on the basis of the condition and age of the vessels at the time of acquisition, which is assessed subsequently at each reporting period end, but the depreciation period does not exceed 25 years from delivery from the shipyard.

(d) Assets under construction

Assets under construction is stated at cost and comprises all costs including borrowing costs directly attributable to bringing the assets under construction ready for their intended use. Assets under construction is transferred to property, vessels and equipment at cost on completion. No depreciation is charged on Assets under construction.

(e) Dry docking costs

The expenditure incurred on vessel dry docking, a component of property, vessels and equipment, is amortised over the period from the date of dry docking to the date on which the management estimates that the next dry docking is due which is generally between two and half to five years. Any gain or loss on disposal of an item of property, vessels and equipment is recognised in the consolidated statement of profit or loss.

3.3 Leases

(a) Group as a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

3 Summary of material accounting policies (continued)

3.3 Leases (continued)

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate. To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract.

The lease term is considered to be the non-cancellable period for which the Group has the right to use an underlying asset. The lease term is adjusted for periods covered by an option to extend; if it is reasonably certain that the option will be exercised as well as periods covered by an option to terminate the lease; if it is reasonably certain that the option will not be exercised.

(b) Group as a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease. If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.
The Group recognises lease payments received under operating leases as income on a straight line basis over the lease term as part of charter hire income.

3.4 Non-current assets (or disposal groups) classified as held-for-sale

Non-current assets (or disposal groups) are classified as assets held-for-sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and their fair value less costs to sell.

3 Summary of material accounting policies (continued)

3.5 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined applying the first-in, first-out and the average cost methods for bunker oil and lubricant oil respectively and includes all costs incurred in acquiring and bringing them to their present location and condition. Net realisable value is based on estimated selling price less any further costs expected to be incurred on completion and disposal.

3.6 Financial instruments

3.6.1 Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI), or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Classification of financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVOCI) comprise:

- Equity securities which are not held for trading, and which the Company has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Company considers this classification to be more relevant.
- Debt securities where the contractual cash flows are solely principal and interest and the objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets.

3.6.2 Recognition

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

3.6.3 Derecognition

a) Derecognition of financial assets:

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of

3 Summary of material accounting policies (continued)

3.6 Financial instruments (continued)

3.6.3 Derecognition (continued)

the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its consolidated statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

b) Derecognition of financial liabilities:

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

3.6.4 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

3 Summary of material accounting policies (continued)

3.6 Financial instruments (continued)

3.6.4 Measurement (continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

3.6.5 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.6.6 Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

3.6.7 Measurement of ECLs

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk. Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments.

3.7 Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges)
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

3 Summary of material accounting policies (continued)

3.7 Derivatives and hedging activities (continued)

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as ‘held for trading’ for accounting purposes and are accounted for at fair value through profit or loss.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity.

The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance cost at the same time as the interest expense on the hedged borrowings.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss. The carrying amounts of the Group’s non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses, are recognised in the statement of comprehensive income.

3.8 Impairment of non-financial assets

The recoverable amount of an asset or its cash generating unit is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit).

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.9 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Gains and losses on measurement of transactions with shareholders are recognised in equity.

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

3 Summary of material accounting policies (continued)

3.10 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

3.11 Dividend distribution

Dividends are recognised as a liability in the year in which they are approved by the Group's shareholders.

3.12 Provisions

A provision is recognised in the statement of financial position when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefit will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liabilities.

3.13 Interest expense and income

Interest expense on borrowings is calculated using the effective interest rate method. Financing costs are recognised as an expense in the statement of comprehensive income in the period in which they are incurred.

Borrowing costs comprise interest payable on borrowings. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. All other borrowing costs are recognised as an expense in the year in which they are incurred.

Interest income is recognised in the statement of comprehensive income as it accrues, taking into account the effective yield on the asset.

3.14 Income tax

Income tax is provided for in accordance with the fiscal regulations of the country in which the Group operates.

Income tax on the profit or loss for the year comprises current and deferred taxation. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in the equity or other comprehensive income.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only if certain criteria are met

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

• temporary differences on the initial recognition of assets or liabilities in a transaction that:
- is not a business combination; and
- at the time of the transaction
(i) affects neither accounting nor taxable profit or loss and
(ii) does not give rise to equal taxable and deductible temporary differences;

3 Summary of material accounting policies (continued)

3.14 Income tax (continued)

• temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

• taxable temporary differences arising on the initial recognition of goodwill.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. The carrying amount of deferred tax assets is reviewed at reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The assessment regarding adequacy of tax liability for open tax year relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.15 Value added taxes

The Company recognises Value Added Tax in line with the rules and regulations set out in the VAT law set out by the Tax Authority of the Sultanate of Oman. The law requires all sales, supplies, services and consumptions within Oman eligible to 5% VAT. The sales, supplies, services, and consumptions outside Oman are subject to zero percent VAT. Revenue, expenses, assets and liabilities are recognised net of the amount of VAT, except where the VAT incurred on the purchase of assets or services is not recoverable from the tax authorities, in which case the VAT is recognised as part of the cost of acquisition of assets or as part of the expense item as applicable.

3.16 Revenue recognition

(a) Revenue from contract with customers

The Group recognizes revenue from contracts with customers based on the five-step model as set out in IFRS 15 and is given below:

Step 1 – Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met;
Step 2 – Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer;
Step 3 – Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties;
Step 4 – Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
Step 5 – Recognize revenue when (or as) the entity satisfies a performance obligation.

The Group satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

• The Group's performance does not create an asset with an alternate use to the Group and the Group has an enforceable right to payment for performance completed to date;
• The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced;

3 Summary of material accounting policies (continued)

3.16 Revenue recognition (continued)

(a) Revenue from contract with customers (continued)

• The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

For performance obligations where none of the above conditions are met, revenue is recognized at the point in time at which the performance obligation is satisfied. Revenue is recognized when a customer receives the services.

The Group enters into following contracts with customers:

- Freight services –In case of freight arrangements including liner, revenue for shipping services is recognized over time as the customer benefits from the service received as it is being performed. The group identifies the performance obligation as the transport of goods from load port to discharge port. Thus, revenue is evenly accrued from the point of loading through to the point of completed discharge based upon the voyage days completed as a proportion of the expected total days of the voyage.
- Operation and maintenance services of vessels – Services provided for operation and maintenance of leased vessels.
- Vessel management services – It is a contract for providing crew management and ship maintenance management services to vessels chartered by the Group.

The revenue from contracts with customers has been disaggregated based on the type of service rendered as explained above. The Group disaggregates the revenue in the same manner while evaluating its financial performance.

Information about the Group's contracts is summarised below:

(i) Freight services

Contract for a freight services consists of a performance obligation to provide the freight with an integrated transportation service within a specified time period. The contract meets the criteria to recognize revenue over time because the charterer simultaneously receives and consumes the benefits of the Group's performance.

The Group uses the input method to measure the Group's progress towards satisfaction of performance obligations. The input method requires the Group to recognise revenue rateably over the estimated length of each voyage, calculated on a load-to-discharge basis. The revenue is recognised from the point of disconnection of hoses at the load port to the point of disconnection of hoses at the discharge port. The selected input method depicts the Group's performance towards complete satisfaction of the performance obligations since the duration of voyage can be estimated reasonably and it corresponds directly with the value to the customer of Group's performance completed to date.

Invoicing is as per transaction price (freight rate) agreed in the contract. The payment terms are short term in nature and accordingly, transaction price does not contain any significant financing component. Variable consideration which includes items such as demurrage/dispatch and speed bunker differentials revenue is included in transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Accumulated experience is used to estimate variable consideration using the expected value method.

The Group recognise a contract asset for services provided over time. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer, which is generally raised upon complete satisfaction of performance obligation. The payment is due within 30 days from the date of invoice, Advances received are included in contract liabilities. Discounts are not considered as they are only given in rare circumstances and are never material.

Voyage expenses are capitalized between the previous discharge port, or contract date if later, and the next load port if they qualify as fulfilment costs under IFRS 15.

3 Summary of material accounting policies (continued)

3.16 Revenue recognition (continued)

(a) Revenue from contract with customers (continued)

(i) Freight services (continued)

To recognize costs incurred to fulfil a contract as an asset, the following criteria shall be met: (i) the costs relate directly to the contract, (ii) the costs generate or enhance resources of the entity that will be used in satisfying performance obligations in the future and (iii) the costs are expected to be recovered. These costs which include, bunker charges, port costs, and commission expenses, are amortized between load port and discharge port since it is consistent with the transfer to the customer of the services.

No significant element of financing is deemed present as sales are made with a credit term of 30-60 days, which is consistent with market practice.

(ii) Operation and maintenance services

Operational and maintenance services pertain to the crew services and repairs-maintenance services for the vessels chartered. The performance obligation relating to such service element is satisfied overtime since the customer simultaneously receives and consumes the benefits of the Group's performance as the Group performs.
Revenue for the services is recognised for the amount to which the Group has right to invoice for the period, since the invoice amount corresponds directly with the value to the customer of the entity's performance completed to date. Receivable from the customer is booked at the same time when the consideration is unconditional, because only the passage of time is required before the payment is due. The invoice is raised monthly and is payable within 3 to 5 days from the date of receipt of invoice by the customer. The Group does not adjust the transaction price for time value of money as the period between the transfer of the promised goods or services to the customer and payment by the customer does not exceed one year and the sales are made with agreed credit terms which is in line with the relevant industry practice.

(iii) Vessel management services

The Group provides crew management and ship maintenance management services to vessels chartered by the Group. The contracts gives rise to a single performance obligations namely vessel management services. The performance obligation relating to such service is satisfied overtime since the customer simultaneously receives and consumes the benefits of the Group's performance.

Revenue for the services is recognised for the amount to which the Group has right to invoice for the period, since the invoice amount corresponds directly with the value to the customer of the entity's performance completed to date. Receivable from the customer is booked at the same time when the consideration is unconditional, because only the passage of time is required before the payment is due. The invoice is raised on a monthly basis and is payable within 3 to 5 days from the date of receipt of invoice by the customer. The Group does not adjust the transaction price for time value of money as the period between the transfer of the promised goods or services to the customer and payment by the customer does not exceed one year and the sales are made with agreed credit terms which is in line with the relevant industry practice.

(b) Dividend

Dividend income is recognised when the right to receive the dividend is established.

(c) Interest income

Interest income on financial assets at amortised cost and financial assets at FVOCI calculated using the effective interest method is recognised in the statement of profit or loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

3 Summary of material accounting policies (continued)

3.17 Loans and borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

3.18 Determination of fair values

Certain of the Group's accounting policies and disclosures require the determination of fair value, for financial assets at fair value through other comprehensive income (FVOCI), financial assets at fair value through profit or loss (FVPL), financial liabilities, derivatives and for non-financial assets and liabilities. The fair values have been determined for measurement and/or disclosure purposes.

Financial assets at FVOCI represent investment in unquoted security. At the reporting date, the Group did not hold any financial asset at FVPL. Financial liabilities consist of trade and other payables, interest bearing loans and borrowings, bank overdrafts and vessel deposits. Derivatives consist of interest rate swap agreements.

When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to the asset or liability.

The group's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(a) Investments

For investments traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the reporting date (Level 1).

For unquoted investments, a reasonable estimate of the fair value is determined by reference to the market value of a similar investment or is based on other observable inputs (Level 2). The fair value for certain unquoted investments are classified as level 3 in the fair value hierarchy due to the use of unobservable inputs, including own credit risk. (Level 3).

(b) Other interest bearing items

The fair value of interest-bearing items is estimated based on discounted cash flows using market interest rates for items with similar terms and risk characteristics (Level 2).

(c) Trade and other receivables

The fair value of trade and other receivables including cash and bank balances approximates to their carrying amount due to their short-term maturity.

3 Summary of material accounting policies (continued)

3.18 Determination of fair values (continued)

(d) Derivatives

The fair value of interest rate swaps is calculated by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date. This calculation is tested for reasonableness through comparison with the valuations received from the parties issuing the instruments (Level 2).

(e) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. (Level 2).

3.19 Operating Segments

A reporting segment is a component of the Group that engaged in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief operating decision makers about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers (CODM). The Group has identified that the Board of Directors is the CODM in accordance with the requirements of IFRS 8 '*Operating Segments*'. The CODM reviews the performance of each reportable segment at least quarterly. Furthermore, the CODM is supported by senior management in the operational decision-making process.

The Group has the following five strategic divisions, which are its reportable segments. These divisions offer different services and are managed separately because they have different economic characteristics – such as trends in sales growth, rates of return, level of capital investment and have different marketing strategies.

The following summary describes the operations of each reportable segment.

Reportable segments	**Operations**
Gas shipping	Transporting liquified naturel gas (LNG) and liquified petroleum gas (LPG)
Crude shipping	Transporting crude oil
Products shipping	Transporting liquid cargoes, including refined petroleum and chemical products
Dry bulk shipping	Transporting raw materials, refined products and finished goods including Ore
Liner shipping	Offering container feedering solutions to main line operators (MLOs) and commercial liner services.

In addition, the Company also provides ship chartering, cargo and voyage management, and technical ship management services through its subsidiaries, including Oman Charter Company and Oman Ship Management Company, allowing it to offer full-fledged maritime transportation services of the highest industry standards. None of these segments met the quantitative thresholds for reportable segments at 30 September 2024 or 30 September 2023 and these have been reported in others as unallocated. The financial information about the segments is disclosed in note 35 to these interim financial statements.

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

4 Financial risk management

The Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

4.1 Financial risk factors

(a) Market risk

Market risk is the risk that change in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(i) Foreign currency risk

The Company's functional currency is USD. Most of transactions are in USD, however the Group does have financial instruments in foreign currencies, therefore is exposed to currency risk, which is not hedged.

Financial assets at amortised cost	**Currency**	**2024 (Audited) RO**	2023 (Audited) RO	**Comment**
Loans receivable (note 10 (b))	Japanese Yen	**1,995,123**	1,993,637	If foreign currency were to shift by +/- 0.5% there will be a change in the profit and equity for the year by RO 9,976 *(2023: RO 10,453)*

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Interest rate risk

Risk management strategy

The Group has obtained certain credit facilities from various international and local banks. These credit facilities bear interest at USD SOFR plus applicable margins. To manage this, the Group entered into interest rate swaps, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. These hedging instruments are designated to hedge underlying debt obligations. The Group has also entered into interest rate collars, wherein the Group agrees to exchange, at specified intervals, the difference between the variable rate and the ceiling / floor rate (i.e when the variable rate breaches the ceiling / floor rate), calculated with reference to the agreed upon notional principal amount. The Group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the hedging instruments.

The Group enters into hedging instruments that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. As all critical terms matched during the period, the economic relationship was close to 100% effective. The Group applies hedge accounting to remove the accounting mismatch between the hedging instrument and the hedged item since all critical terms matched during the year and the economic relationship was close to 100% effective. This will effectively result in recognising interest expense at a fixed interest rate for the hedged floating rate loans.

Hedge ineffectiveness for hedging instruments may occur due to:

- the credit value/debit value adjustment on the hedging instruments which is not matched by the loan, and
- differences in critical terms between the interest rate swaps and loans.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

There was no significant ineffectiveness during 2024 or 2023 in relation to the interest rate swaps.

The Group's bank deposits carry fixed rates of interest and therefore, are not exposed to interest rate risk. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group long-term debt obligations with floating interest rates.

At 30 September 2024, after taking into account the effect of hedging instruments, 12.18% *(2023 – 20.12%)* of the Groups' total borrowings are at a fixed rate of interest. For the borrowings that are not hedged, if the interest rates on borrowings were to shift by +/- 0.5% there would be a maximum change in the profit for the period by RO 0.81 million *(2023 - RO 1.9 million).*

The effects of the interest rate swaps on the Group's financial position and performance are as follows:

	2024 (Audited) RO	2023 (Audited) RO
Carrying amount of liability hedged	**55,838,457**	99,192,607
Notional amount	**55,838,457**	99,192,607
Maturity period	**5-10 years**	5-10 years
Hedge ratio (holding all other variables constant)	**100%**	100%
Change in fair value of outstanding hedging instruments since 1 January	**(1,749,992)**	(7,129,185)
Change in value of hedged item used to determine hedge effectiveness	**1,749,992**	7,129,185

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

(b) Price risk

As at 30 September 2024, the Group is not materially exposed to price risk as the financial assets at fair value through other comprehensive income (FVOCI) represents an unquoted investment of immaterial value.

(c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligation and arises principally from Group's receivables, contract assets, and financial assets at amortised cost.

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost and at fair value through other comprehensive income (FVOCI), favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to outstanding receivables and contract assets.

The Group seeks to limit its credit risk with respect to its finance lease receivables, trade receivables and contract assets by monitoring outstanding receivable balances. The Group has a policy to deal only with credit worthy counter parties. If the customer independently rated, these ratings are used. Otherwise, if there is no independent rating, the Group assesses the credit quality of the customer, taking into account its financial position, past experiences, and other factors.

With respect to credit risk arising from the other financial assets of the Group, including cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Group limits its credit risk with regard to bank deposits by only dealing with banks with high credit rating. The Group also assesses the credit quality of the companies to whom loans have been advanced taking into account their financial position, past experience and other factors.

Concentration of credit risk arises when a number of counter-parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location. The Group has significant concentrations of credit risk with financial assets at amortised cost, details of which are provided in the note below.

The Group evaluates the credit worthiness and business outlook of its customers and specifically those with significant finance lease receivable on periodic basis and makes appropriate provisions, where necessary.

Major classification of financial assets which are not measured at fair value as at is as follows:

	30 September 2024 (Audited)		31 December 2023 (Audited)	
	RO	**%**	RO	%
Trade receivables	**22,097,290**	**7**	13,543,633	4
Contract assets	**1,875,631**	**1**	2,418,200	1
Other financial assets at amortized cost	**3,563,678**	**1**	4,224,136	1
Cash and cash equivalents	**33,343,018**	**11**	51,996,653	16
Fixed term and margin deposits	**110,364,986**	**36**	123,806,285	37
Finance lease receivables	**125,344,658**	**41**	131,234,067	39
Loans receivable	**7,655,659**	**3**	7,546,675	2
	304,244,920	**100**	334,769,649	100

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

(c) Credit risk (continued)

Credit risk	**2024 (Audited) RO**	2023 (Audited) RO	**Comments**
Trade receivables	**22,097,290**	13,543,633	The Group has strong counterparties with good reputations and strong financial performance.
Contract assets	**1,875,631**	2,418,200	
Other financial assets at amortised cost	**3,563,678**	4,224,136	
Cash and cash equivalents	**33,343,018**	51,996,653	The Group liquidity is strictly placed with financial institution having strong credit rating or classified as systemically important financial institutions supported by Oman government.
Fixed term and margin deposits	**110,364,986**	123,806,285	
Finance lease receivables	**125,344,658**	131,234,067	Refer note 10 for details
Loans receivable	**7,655,659**	7,546,675	Refer note 10 for details

Gross carrying amount of bank balances, loan receivables and finance lease receivables by risk rating grades:

	Rating	**2024 (Audited) RO**	2023 (Audited) RO
Abu Dhabi Islamic Bank	**Baa1**	**679,025**	1,052,885
Bank Nizwa SAOG	**Ba1**	**10,104,746**	15,824,340
Alizz Islamic Bank SAOC	**Ba3**	**2**	9,959,575
Ahli Bank SAOG	**A2**	**-**	237,474
Ahli United Bank KSCP	**A2**	**788**	3,251
Oman Arab Bank SAOC	**Ba1**	**20,142,298**	19,548,486
Sohar International SAOG	**Ba1**	**12,783,296**	6,037,362
Sohar Islamic	**Ba1**	**7,755,871**	16,073,534
Bank Muscat SAOG	**Ba1**	**13,124,808**	15,387,136
Societe General Bank	**A1**	**17,222,369**	15,269,923
First Abu Dhabi Bank - Oman Region	**Aa3**	**2,012**	2,938
Meethaq Islamic Banking - Corporate Banking	**Ba1**	**27,564**	92,901
National Bank of Oman SAOG	**Ba1**	**8,849**	-
Gulf International Bank BSC	**Baa1**	**98,453**	100,332
Mashreq Bank PSC	**Baa1**	**193,709**	196,255
Sumitomo Mitsui Banking Corporation	**A1**	**3,304,762**	7,138,053
Muzn Islamic Banking	**Ba1**	**8,044,645**	8,063,024
Standard Chartered Bank	**A1**	**11,260,089**	14,519,706
Qatar National Bank	**A3**	**754**	11,989,407
J.P. Morgan	**Aa1**	**1,405,363**	1,392,570
Al Misarah Islamic banking	**Ba1**	**-**	11,557,508
Bank Dhofar SAOG	**Ba1**	**24,076,243**	19,299,194
Oman Housing Bank	**Ba3**	**8,288,796**	2,057,084
National Finance Company	**A2**	**5,183,562**	-
Bank balances		**143,708,004**	175,802,938
OJV Cayman 3 Limited	Unrated	**1,995,123**	1,993,637
Al-Musanah Maritime Transportation Company S.A.	Unrated	**5,660,536**	5,553,038
Vale International SA	Ba1	**125,344,658**	131,234,067
Financial assets at amortised cost		**133,000,317**	138,780,742

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

The stated rating is as per the global bank ratings by Moody's Investors Service. Although certain banks were unrated or not prime, management does not foresee any credit risk.

Trade receivables ageing:
At 30 September/31 December, the ageing of trade receivables that was as follows:

	2024 (Audited) RO	2023 (Audited) RO
Not due	**8,123,084**	3,323,679
1-90 days past due	**10,364,148**	7,362,348
Above 91 days past due	**3,610,058**	2,857,606
	22,097,290	13,543,633

The trade receivable above 365 days is amounts to 30 September 2024 RO 0.15 million (31 December 2023: RO 0.66 million).

(d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and liquid instruments, and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Group had cash and cash equivalents [note 10 (f)] of RO 33,343,018 *(31 December 2023 – RO 51,996,653)* for managing liquidity risk. Due to the dynamic nature of the underlying businesses, group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the group's liquidity reserve (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at central level in accordance with practice and limits set by the group.
Financing arrangements

The Group had access to the undrawn borrowing facilities of RO 15.4 million *(2023 – RO 15.2 million)* at the end of the reporting period.

		Contractual cash flows			
At 30 September 2024 (Audited)	**Carrying amount RO**	**Less than 1 year RO**	**1 to 5 years RO**	**More than 5 years RO**	**Total RO**
Non- derivative financial liabilities					
Trade and other payables	**9,248,886**	**9,248,886**	**-**	**-**	**9,248,886**
Loans and borrowings	**467,357,954**	**64,596,000**	**283,619,721**	**228,650,777**	**576,866,498**
Bank overdraft	**-**	**-**	**-**	**-**	**-**
Lease liabilities	**150,987,609**	**83,910,392**	**79,921,735**	**62,640**	**163,894,767**
	627,594,449	**157,755,278**	**363,541,456**	**228,713,417**	**750,010,151**

		Contractual cash flows			
At 31 December 2023 (Audited)	Carrying amount RO	Less than 1 year RO	1 to 5 years RO	More than 5 years RO	Total RO
Non- derivative financial liabilities					
Trade and other payables	32,856,000	32,856,000	-	-	32,856,000
Loans and borrowings	497,894,222	85,136,688	247,612,003	333,023,513	665,772,204
Bank overdraft	8,235,113	8,235,113	-	-	8,235,113
Lease liabilities	160,576,205	89,774,738	83,161,687	66,960	173,003,385
	699,561,540	216,002,539	330,773,690	333,090,473	879,866,702

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

* Trade and other payables exclude accrued expenses.

The maturity profile of derivative financial instruments is given in note 15.

4.2 Capital risk management

The Group's objectives when managing capital is to safeguard the Group's ability to continue as a going concern, so that it can generate returns for members and benefits for other stakeholders.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to members, return capital to members, issue new shares, or sell assets.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio (debt to total equity)

	2024 (Audited) RO	2023 (Audited) RO
Debt*	**618,345,563**	666,705,540
Total equity	**466,094,938**	443,844,528
Debt to total equity ratio (times)	**1.327**	1.502

* Debt includes term loans, loans from commercial banks, lease liabilities and excludes the deferred finance cost.

5 Critical accounting estimates and judgements

5.1 Judgements

In the process of applying the Group's accounting policies, management has made the following significant judgements, apart from those involving estimations, which have the most significant effect in the amounts recognised in the interim financial statements:

(a) Functional currency

Management believe that using USD as functional currency realistically represents the economic substance of the underlying transactions, events and conditions. The Company's revenue, expenses and finances are dominated in USD. Therefore, the functional currency is USD.

(b) Determination of cash generating unit

Management has assessed the entire fleet for two specific category of vessel as a single CGU. Among other things, the judgement affects on which basis an impairment test is performed. The CGUs are considered to be the VLCC fleet and the Dry bulk fleet. When determining that the fleet of vessel forms one single CGU, Management has considered the degree of interdependency between the vessels operating in the fleet in respect of commercial decisions, operating synergies and financial efficiencies. Management has concluded that the interdependency is of such extent that the cash inflows are not largely independent from each other and that, consequently, the entire fleet forms one CGU. When determining that the CGU is not at a lower level than the vessel fleet, Management has attached importance to the fact that fleet is managed as a portfolio, where revenue is shared on a pool basis and the vessels in the fleet as well as the cashflows are largely interchangeable.

5 Critical accounting estimates and judgements (continued)

5.2 Estimates and assumptions

The preparation of consolidated interim financial statements requires management to make estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

(a) Impairment of financial assets at amortised cost

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses estimates in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's historical experience, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the note 10(g).

(ii) Useful lives of property, vessels and equipment

The useful lives, residual values and methods of depreciation of property, vessel and equipment are reviewed, and adjusted if appropriate, at each financial year end and on an ongoing basis. In the review process, the Group takes guidance from recent acquisitions, as well as market and industry trends. In accordance with its policy, the Group reviews the estimated useful lives and residual values of its property, vessel and equipment on an ongoing basis.

(iii) Impairment of vessels

The Group determines whether its non-financial assets are impaired when there are indicators of impairment as defined in IAS 36. This requires an estimation of the value-in-use of the cash-generating unit‘('the CGU'), which constitutes the carrying value of the fleet of vessels (including vessel components) as at 30 September 2024. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

As a consequence of ongoing volatility in freight rates during 2024 and the losses in the bulk fleet CGU, the carrying value of the Group's Bulk fleet CGU have been assessed for impairment.

The Group uses freight rate estimates based on 10 years historical average rates.

The carrying value of the Bulk fleet CGU as at 30 September 2024 was RO 45.69 million.

The assessment of the value in use of the Bulk fleet CGU was based on the net present value of the expected future cash flows. The freight rate estimates are based on 10 years historical average rates and are consistent with the Group's business plans. The Group believes that the approach used for long-term rates appropriately reflects the cyclical nature of the shipping industry and is the most reliable estimate for the periods considered in the assessment.

The operating expenses and administrative expenses are adjusted for 2.6% per annum. The discount rate used in the value in use calculation is based on a Weighted Average Cost of Capital (WACC) of 11.6% as of 30 September 2024. WACC is calculated by using a standard WACC model in which cost of equity, cost of debt and capital structure are the key parameters.

As of 30 September 2024, the 10 years historical average spot freight rates used in the value in use calculation are as follows:

- Bulk fleet: USD/day 15,104 (consisting of 7 Bulk's with DWT around 63,000)

5 Critical accounting estimates and judgements (continued)

5.2 Estimates and assumptions (continued)

(c) Impairment of vessels (continued)

The vessels are expected to generate normal income for the entire duration of their useful life from the date of delivery from the shipyard taking into consideration the dry dock time. Given the current age profile of the underlying vessels, the average remaining life would be 16 years to 20 years for the Bulk fleet. The Group has used forecasted cashflows for the average remaining life for the Bulk fleet. The calculation of the value in use is sensitive to changes in the key assumptions which are related to the future development in freight rates, the WACC applied as discounting factor in the calculations.

All other things being equal, the sensitivities to the value in use have been assessed as follows:

- An increase/decrease in the freight rates of USD 1,000 per day would result in an increase in the value in use of RO 8.45 million in the Bulk fleet;
- An increase in WACC of 1% would result in a decrease in the value in use of RO 3.68 million. A decrease in WACC of 1% would result in an increase in the value in use of RO 4.13 million.
- An increase in inflation of 1 % would result in an increase in the value in use of RO 0.14 million. A decrease in inflation of 1% would result in a decrease in the value in use of RO 0.13 million.

As outlined above, the impairment test has been prepared on the basis that the Group will continue to operate its vessels as a fleet in the current set-up.

The management has considered the Clarkson's shipping reports for ascertaining fair values of the bulk fleet CGU that was adjusted for the age of the vessels. The recoverable value comes out to be RO 87.05 million after adjusting cost to sell. The value in use for bulk fleet CGU is RO 53.57 million accordingly the recoverable value is higher than the carrying value of bulk fleet CGU, hence no impairment is charged in the current period.

Impairment of right-of-use vessels:

During the period ended 30 September 2023, due to ongoing volatility in freight rates in container segment, the carrying value of the Group's leased container vessels CGUs have been assessed for impairment. These leases were taken out when demand for capacity relative to supply was at a peak and since the supply gap has reduced significant rates drops have meant these particular vessels were no longer as economical when the leases were agreed. As of 30 September 2023, management performed an impairment test of the recoverable amount of Group's leased container vessels and the carrying value of the 4 CGUs exceeded the recoverable amount for four of the Groups leased container vessels by RO 22.33 million resulting in impairment. During the current period ended 30 September 2024, there is no indicator for impairment as disclosed above.

6 Investment in subsidiaries

Company name	**Note reference**	**Country of incorporation**	**% Holding 2024**	% Holding 2023
Oman Charter Company SAOC	(i)	Sultanate of Oman	99.99%	99.99%
Oman Ship Management Company SAOC	(ii)	Sultanate of Oman	99.99%	99.99%
Areej LNG Carrier S.A (AREJ)	(iii)	Republic of Panama	80%	80%
Tiwi LNG Carrier S.A (TIWI)	(iii)	Republic of Panama	80%	80%
Adam Maritime Transportation Company	(iii)	Marshall Islands	100%	100%
Dune LNG Carrier S.A (DUNE)	(iii)	Republic of Panama	80%	80%
Oryx LNG Carrier S.A (ORYX)	(iii)	Republic of Panama	60%	60%
Masirah Maritime Transportation Co. S.A	(iv)	Republic of Panama	100%	100%
Matrah Transportation Co. S.A.	(iv)	Republic of Panama	100%	100%
Al Amerat Transportation Company S.A	(iv)	Republic of Panama	100%	100%
Seeb Maritime Transportation Company	(v)	Marshall Islands	100%	100%
As-Suwaiq Maritime Transportation Company	(v)	Marshall Islands	100%	100%
Thamreit Maritime Transportation Company Ltd.	(v)	Marshall Islands	100%	100%
Ezki Maritime Transportation Company	(v)	Marshall Islands	100%	100%
Buka Maritime Transportation Company	(v)	Marshall Islands	100%	100%
Daba Maritime Transportation Company	(v)	Marshall Islands	100%	100%
Taqah Maritime Transportation Company	(v)	Marshall Islands	100%	100%
Vale Liwa Maritime Transportation Company S.A.	(vi)	Marshall Islands	100%	100%
Vale Sohar Maritime Transportation Company S.A.	(vi)	Marshall Islands	100%	100%
Vale Shinas Maritime Transportation Company S.A.	(vi)	Marshall Islands	100%	100%

5 Investment in subsidiaries (continued)

Company name	**Note reference**	**Country of incorporation**	**% Holding 2024**	% Holding 2023
Vale Saham Maritime Transportation Company S.A.	(vi)	Marshall Islands	100%	100%
Oman Container Line Inc.	(vii)	Republic of Panama	100%	100%
Saiq Maritime Transportation Company S.A. (Saiq)	(v)	Marshall Islands	100%	100%
Samail Maritime Transportation Company S.A. (Samail)	(v)	Marshall Islands	100%	100%
Muscat Silver Maritime Transportation Company S.A.	(viii)	Marshall Islands	100%	100%
Rustaq Silver Maritime Transportation Company S.A.	(viii)	Marshall Islands	100%	100%
Nakhal Silver Maritime Transportation Company S.A.	(viii)	Marshall Islands	100%	100%
Mahadah Silver Maritime Transportation Company S.A.	(viii)	Marshall Islands	100%	100%
Muhut Silver Maritime Transportation Company S.A.	(viii)	Marshall Islands	100%	100%
Yanqul Silver Maritime Transportation Company S.A.	(viii)	Marshall Islands	100%	100%
Dank Silver Maritime Transportation Company S.A.	(viii)	Marshall Islands	100%	100%
Madha Silver Maritime Transportation Company S.A.	(viii)	Marshall Islands	100%	100%
Sadah Silver Maritime Transportation Company S.A.	(viii)	Marshall Islands	100%	100%
Khasab Silver Maritime Transportation Company S.A.	(viii)	Marshall Islands	100%	100%
Jabal Al Misht Maritime Transportation Company Limited	(ix)	Marshall Islands	100%	100%
Jabal Shams Maritime Transportation Company Limited	(ix)	Marshall Islands	100%	100%
Dalkut Maritime Transportation Company Limited	(v)	Marshall Islands	100%	100%
Sur Maritime Transportation Company Limited	(v)	Marshall Islands	100%	100%
Bahla Maritime Transportation Company Limited	(v)	Marshall Islands	100%	100%
Jabl Samhan Maritime Transportation Company Limited	(ix)	Marshall Islands	100%	100%
Jabl Kawr Maritime Transportation Company Limited	(ix)	Marshall Islands	100%	100%
Jabl Hafit Maritime Transportation Compnay Limited	(ix)	Marshall Islands	100%	100%
Jabl Harim Maritime Transportation Company Limited	(ix)	Marshall Islands	100%	100%
Jabl Al Rawdah Maritime Transportation Company Limited	(ix)	Marshall Islands	100%	100%
Asyad Lines LLC	(vii)	Sultanate of Oman	100%	100%
Wadi Bani Khalid Maritime Transportation Company Limited	(vii)	Marshal Island	100%	100%
Asyad Shipping PTE. LTD	(i)	Singapore	100%	100%
Wadi Duka Maritime Transportation Company Limited	(vii)	Marshal Island	100%	100%
Asyad Ship Management Company SPC	(x)	Sultanate of Oman	100%	-

(i) This subsidiary is a closed joint stock company engaged in hiring and chartering vessels.

(ii) This subsidiary is a closed joint stock company engaged in providing ship management services.

(iii) These subsidiaries are limited liability companies engaged in owning and operating liquefied natural gas tankers, which are operating on long term time charters.

(iv) These subsidiaries are limited liability companies engaged in owning and operating product tankers, which are operating on long-term time charter contracts.

(v) These companies own Very Large Crude Carriers (VLCCs) which are currently being operated in spot market.

(vi) These subsidiaries are formed in accordance with the Group's arrangement with a customer for chartering out four very large ore carriers (VLOC) on long-term time charter.

(vii) This subsidiary is a limited liability company engaged in container business.

(viii) These subsidiaries were formed in accordance with the Group's arrangement with a customer to provide ten Medium Range ("MR 2") vessels which are chartered to a customer for 7 years extendable further for 3 years.

(ix) These subsidiaries are limited liability companies engaged in owning and operating bulk carriers, which are being operated in spot market.

(x) This subsidiary is engaged in providing ship management services which is incorporated during the period. The company does have started its operations yet.

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

7 Property, vessels and equipment

	Assets under Construction** RO	Vessels, dry-docking costs and other equipment RO	Computer equipment RO	Motor vehicles RO	Furniture and fixtures RO	Building RO	Total RO
Cost							
Balance at 1 January 2024	**39,957,007**	**1,137,976,219**	**1,159,719**	**30,096**	**881,494**	**7,487,801**	**1,187,492,336**
Additions	**21,836,907**	**4,825,106**	**-**	**-**	**-**	**-**	**26,662,013**
Disposals	**-**	**(20,431)**	**-**	**-**	**-**	**-**	**(20,431)**
Transfer to intangible assets	**(259,438)**	**-**	**-**	**-**	**-**	**-**	**(259,438)**
Transfer to vessels and dry docking	**(859,398)**	**859,398**	**-**	**-**	**-**	**-**	**-**
Balance at 30 September 2024	**60,675,078**	**1,143,640,292**	**1,159,719**	**30,096**	**881,494**	**7,487,801**	**1,213,874,480**
Accumulated depreciation							
Balance at 1 January 2024	**-**	**548,912,898**	**1,129,076**	**9,079**	**620,758**	**556,077**	**551,227,888**
Depreciation	**-**	**36,716,836**	**6,854**	**4,514**	**71,185**	**112,373**	**36,911,762**
Disposals	**-**	**(12,760)**	**-**	**-**	**-**	**-**	**(12,760)**
Balance at 30 September 2024	**-**	**585,616,974**	**1,135,930**	**13,593**	**691,943**	**668,450**	**588,126,890**
Carrying amounts							
At 30 September 2024 (Audited)	**60,675,078**	**558,023,318**	**23,789**	**16,503**	**189,551**	**6,819,351**	**625,747,590**
Cost							
Balance at 1 January 2023	5,049,817	1,240,416,407	1,159,719	30,096	881,494	7,485,921	1,255,023,454
Additions	42,697,776	22,564,009	-	-	-	1,880	65,263,665
Disposals	-	(132,794,783)	-	-	-	-	(132,794,783)
Transfer to vessels and dry docking	(7,790,586)	7,790,586	-	-	-	-	-
Balance at 31 December 2023	39,957,007	1,137,976,219	1,159,719	30,096	881,494	7,487,801	1,187,492,336
Accumulated depreciation							
Balance at 1 January 2023	-	573,364,502	1,114,433	3,060	525,801	406,240	575,414,036
Depreciation	-	52,611,671	14,643	6,019	94,957	149,837	52,877,127
Disposals	-	(76,747,918)	-	-	-	-	(76,747,918)
Adjustment	-	(315,357)	-	-	-	-	(315,357)
Balance at 31 December 2023	-	548,912,898	1,129,076	9,079	620,758	556,077	551,227,888
Carrying amounts							
At 31 December 2023 (Audited)	39,957,007	589,063,321	30,643	21,017	260,736	6,931,724	636,264,448

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

7 Property, vessels and equipment (continued)

At 30 September 2024, vessels and dry-docking costs having carrying amount of RO 333.93 million (31 December 2023 – RO 339.79 million) are pledged against borrowings availed by Group from banks. Details regarding the Group's obligations under its loan and its future commitments are set out in note 14.

At 30 September 2024, the carrying value of vessels, dry-docking costs, and other equipment includes an accumulated impairment loss of RO 199.53 million (2023: RO 199.53 million).

**It includes the cost of construction of two LNG and four VLCC vessels and costs incurred up to 30 September 2024 totalled RO 57.55 million (31 December 2023: RO 38.5 million). Borrowing cost amounting to RO 1.6 million (2023: RO 0.95 million) is also capitalised, using a capitalisation rate of 4.33 percent (2023: 4.37 percent).

During the nine months period ended 30 September 2023, the Group made additions to property, vessels and equipment with a total cost of RO 59.42 million. This amount includes additions to assets under construction of amounting to RO 38.12 million including the capitalised borrowing costs of RO 0.38 million and additions to vessels and dry-docking costs of amounting to RO 21.30 million. In addition, the Group made transfers from assets under construction to vessels and dry-docking costs of amounting to RO 4.37 million.

During the nine months period ended 30 September 2023, the Group disposed of assets with a carrying amount of RO 0.012 million, resulting in a gain on disposal of RO 0.0018 million.

Depreciation expense for the nine months period ended 30 September is charged as follows:

	2024 (Audited) RO	2023 (Reviewed) RO
Vessel operating costs (note 23)	**36,716,836**	39,277,199
General and administrative expenses (note 25)	**194,926**	199,360
	36,911,762	39,476,559

8 Leases

The Group has entered into long-term charter contracts for leasing vessels, which it further engages in operations for generating revenue. It has also leased land and building for administrative purposes. The vessel lease contracts are typically entered into for a period of 2 to 15 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

These liabilities are measured at the present value of the lease payments over the lease term, discounted using the lessee's incremental borrowing rate as at date of measurement which were between 3.7% and 8.4% (2023: 2.75% to 7.5%) at the date of initial adoption.

The Group is not exposed to any future cash-flows from variable lease terms or residual value guarantees that are not reflected in the measurement of lease liabilities.

8.1 Right-of-use asset

The consolidated statements of financial position and profit or loss shows the following amounts relating to lease of right of use assets:

	Land RO	**Properties RO**	**Vessels RO**	**Total RO**
2024				
Balance at 1 January	**31,978**	**115,396**	**134,895,698**	**135,043,072**
Additions to right-of-use assets	**-**	**-**	**58,433,270**	**58,433,270**
Depreciation charge for the period	**(885)**	**(47,815)**	**(59,120,056)**	**(59,168,756)**
Impairment loss for the period	**-**	**-**	**-**	**-**
Balance at 30 September (Audited)	**31,093**	**67,581**	**134,208,912**	**134,307,586**
2023				
Balance at 1 January	32,863	179,258	88,176,836	88,388,957
Additions to right-of-use assets	-	-	137,967,411	137,967,411
Adjustments to right of use asset	-	-	31,977	31,977
Depreciation charge for the year	(885)	(63,862)	(68,954,932)	(69,019,679)
Impairment loss for the year	-	-	(22,325,594)	(22,325,594)
Balance at 31 December (Audited)	31,978	115,396	134,895,698	135,043,072

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8 Leases (continued)

During the nine-month period ended 30 September 2023, the Group entered into new long-term charter contracts for leasing vessels to be used in its operations for revenue generation, with lease terms ranging from 2 to 15 years. On lease commencement, the Group recognised a right-of-use asset and lease liability of RO 127.70 million.

8.2 Movement in lease liabilities

	As at 30 September 2024 (Audited) RO	As at 31 December 2023 (Audited) RO
Balance at 1 January	**160,576,205**	91,092,327
Additions during the period	**58,433,270**	137,967,411
Adjustment to lease liabilities	**-**	1,080,434
Payments during the period	**(74,607,498)**	(78,011,403)
Interest expense for the period	**6,585,632**	8,447,436
Balance at 30 September/31 December	**150,987,609**	160,576,205

The current and non-current classification of lease liabilities as of the reporting date is as follows:

	As at 30 September 2024 (Audited) RO	As at 31 December 2023 (Audited) RO
Current lease liabilities	**79,098,913**	84,438,257
Non-Current lease liabilities	**71,888,696**	76,137,948
	150,987,609	160,576,205
Land	**35,221**	35,563
Vessels	**150,880,042**	160,420,423
Office	**72,346**	120,219
Total lease liabilities	**150,987,609**	160,576,205

8.3 Amounts recognised in profit or loss for the nine months period ended 30 September

	2024 (Audited) RO	2023 (Reviewed) RO
Depreciation charge for the period	**59,168,756**	47,434,065
Interest on lease liabilities	**6,585,632**	6,427,541

8.4 Amounts recognised in statement of cash flows for the nine months period ended 30 September

	2024 (Audited) RO	2023 (Reviewed) RO
Total cash out flows for the leases		
- Interest portion	**6,585,632**	6,427,541
- Principal portion	**68,021,866**	47,437,355
	74,607,498	53,864,896

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

9 Equity-accounted investees

	As at 30 September 2024 (Audited) RO	As at 31 December 2023 (Audited) RO
Carrying amount of investments		
Interest in joint venture	**24,976,950**	24,225,986

The following table illustrates the movement of the Group investment in joint ventures:

	As at 30 September 2024 (Audited) RO	As at 31 December 2023 (Audited) RO
Balance at 1 January	**24,225,986**	25,538,375
Share of results of joint ventures – net of tax - note 9(a)	**942,397**	997,611
Other movements	**(37,433)**	-
Dividends received- note 9(a)	**(154,000)**	(2,310,000)
Balance at 30 September/31 December	**24,976,950**	24,225,986

Company name		Country of incorporation	% Holding 2024	% Holding 2023
Joint ventures				
Energy Spring LNG Carrier S.A.	i	Republic of Panama	50	50
Duqm Maritime Transportation Company S.A.	ii	Republic of Panama	50	50
Liwa Maritime Transportation Company S.A	iii	Republic of Panama	50	50
Haima Maritime Transportation Company S.A.	iv	Republic of Panama	50	50
Raysut Maritime Transportation Company S.A.	v	Republic of Panama	50	50
Al-Musanah Maritime Transportation Company S.A.	vi	Republic of Panama	50	50

(i) The company is a limited liability company and is engaged in operating a liquefied natural gas carrier. The Group's investment in the shares of the joint venture and the sponsor support agreement are assigned in favor of a lender to the joint venture against borrowing availed for financing the vessel. Principal place of business is Oman.

(ii) On 29 November 2005, the Group along with Mitsui O.S.K. Lines formed a joint venture, Duqm Maritime Transportation Company S.A. for the primary purpose of acquiring, owning and operation of a crude oil tanker. Principal place of business is Japan.

(iii) On 21 June 2005 the Group along with Mitsui O.S.K. Lines formed a joint venture, Liwa Maritime for the primary purpose of operating vessel chartering business. Principal place of business is Japan.

(iv) On 23 June 2006 the Group along with Mitsui O.S.K. Lines formed a joint venture, Haima Maritime for the primary purpose of acquiring, owning and operating an LR2 tanker. Principal place of business is Japan.

(v) On 23 June 2006, the Group along with Mitsui O.S.K. Lines formed a joint venture, Raysut Maritime for the primary purpose of acquiring, owning and operating an LR2 tanker. Principal place of business is Japan.

(vi) On 23 June 2006, the Group along with Mitsui O.S.K. Lines formed a joint venture, Al Musanah Maritime for the primary purpose of acquiring, owning and operating an LPG carrier vessel. The Group has granted certain loan to this joint venture, the details of which are included in note 10(b). These loans are denominated in United States Dollar and are secured partly against the joint venture partner's equity interest in the related joint venture. Principal place of business is Japan.

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

9 Equity-accounted investees (continued)

(a) Summarised financial information for joint ventures

The following table summarises the financial information of joint ventures as included in their own management financial statements. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in joint ventures. Set out below is the summarised financial information for the joint ventures which are accounted for using the equity method.

Summarised statement of financial position:

	ENERGY	LIWA	RAYSUT	AL-MUSANAH	DUQM	HAIMA	Total
Percentage of ownership interest	50%	50%	50%	50%	50%	50%	
	RO	RO	RO	RO	RO	RO	RO
As at 30 September 2024							
Non-current assets	**10,608,601**	**-**	**8,146,780**	**13,319,420**	**-**	**8,252,717**	**40,327,518**
Current assets							
- Cash and cash equivalents	**201,988**	**3,727,783**	**1,706,505**	**4,377,998**	**198,288**	**554,059**	**10,766,621**
- Other current assets	**1,772,900**	**20,661**	**33,147**	**224,955**	**11,911,251**	**62,918**	**14,025,832**
Current liabilities							
- Financial liabilities (excluding trade and other payables and provisions)	**(965,055)**	**(968,362)**	**-**	**(11,322,850)**	**-**	**-**	**(13,256,267)**
- Other current liabilities	**(328,788)**	**(346,519)**	**(755,983)**	**(478,516)**	**-**	**-**	**(1,909,806)**
Net assets (100%)	**11,289,646**	**2,433,563**	**9,130,449**	**6,121,007**	**12,109,539**	**8,869,694**	**49,953,898**
Group's share of net assets (50%)	**5,644,823**	**1,216,782**	**4,565,225**	**3,060,504**	**6,054,769**	**4,434,847**	**24,976,950**
Carrying amount of interest in joint venture(Audited)	**5,644,823**	**1,216,782**	**4,565,225**	**3,060,504**	**6,054,769**	**4,434,847**	**24,976,950**
As at 31 December 2023							
Non-current assets	10,785,725	-	8,694,936	14,963,609	-	8,534,257	42,978,527
Current assets							
- Cash and cash equivalents	3,384,647	2,068,008	935,770	3,424,260	207,984	467,515	10,488,184
- Other current assets	606,137	285,953	29,985	395,271	11,403,718	139,581	12,860,645
Current liabilities							
- Financial liabilities (excluding trade and other payables and provisions)	(3,100,000)	(1,026,470)	(637,761)	(12,429,573)	-	(397,828)	(17,591,632)
- Other current liabilities	(87,620)	(8,917)	(6,162)	(141,891)	(2,695)	(6,160)	(253,445)
Net assets (100%)	11,588,889	1,318,574	9,016,768	6,211,676	11,609,007	8,737,365	48,482,279
Group's share of net assets (50%)	5,794,445	659,287	4,508,384	3,105,838	5,804,504	4,368,683	24,241,141
Adjustment for fair value of cash hedges	(15,155)	-	-	-	-	-	(15,155)
Carrying amount of interest in joint venture(Audited)	5,779,290	659,287	4,508,384	3,105,838	5,804,504	4,368,683	24,225,986

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

9 Equity-accounted investees (continued)

(a) Summarised financial information for joint ventures

Summarised statement of profit or loss and other comprehensive income:

For nine months period ended 30 September 2024 (Audited)	**ENERGY**	**LIWA**	**RAYSUT**	**AL-MUSANAH**	**DUQM**	**HAIMA**	**Total**
	RO	**RO**	**RO**	**RO**	**RO**	**RO**	**RO**
Revenue	**3,072,300**	**8,531,783**	**1,972,663**	**3,470,621**	**-**	**1,951,565**	**18,998,932**
Operating costs	**(1,741,906)**	**(7,436,289)**	**(810,775)**	**(1,222,997)**	**(7,019)**	**(863,518)**	**(12,082,504)**
Depreciation	**(1,362,053)**	**-**	**(955,948)**	**(1,594,743)**	**-**	**(950,514)**	**(4,863,258)**
Finance income	**41,699**	**177**	**112**	**395**	**507,552**	**55**	**549,990**
Interest expense	**(1,282)**	**-**	**(4,670)**	**(707,005)**	**-**	**(5,263)**	**(718,220)**
Other non-operation income / (expenses)	**-**	**(65)**	**(7)**	**(80)**	**(2)**	**4**	**(151)**
Income tax	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Profit and total comprehensive income (100%)	**8,758**	**1,095,606**	**201,375**	**(53,809)**	**500,531**	**132,329**	**1,884,789**
Group's share of total comprehensive income (50%)	**4,379**	**547,803**	**100,688**	**(26,904)**	**250,266**	**66,165**	**942,397**
Dividend received by the group	**154,000**	**-**	**-**	**-**	**-**	**-**	**154,000**
For year ended 31 December 2023 (Audited)							
Revenue	4,918,375	10,114,574	2,641,870	4,454,643	-	2,698,080	24,827,542
Operating costs	(2,146,377)	(9,865,596)	(1,056,793)	(1,444,065)	(13,847)	(1,117,039)	(15,643,717)
Depreciation	(1,851,442)	-	(1,181,587)	(2,062,094)	-	(1,311,522)	(6,406,645)
Interest expense	(664)	-	(72,436)	(938,960)	-	(75,414)	(1,087,474)
Finance income	55,462	118	117	312	297,405	65	353,479
Other non-operation income / (expenses)	-	(152)	(2,358)	(16,299)	(26,807)	(2,349)	(47,965)
Income tax	-	-	-	-	-	-	-
Profit and total comprehensive income (100%)	975,354	248,944	328,813	(6,463)	256,751	191,821	1,995,220
Group's share of total comprehensive income (50%)	487,677	124,472	164,407	(3,232)	128,376	95,911	997,611
Dividend received by the group	-	-	-	-	-	-	-

During the period ended 30 September 2023, share of results of joint ventures has been recognised amounts RO 0.57 million.

10 Financial assets

The Group holds the following financial assets:

	As at 30 September 2024 (Audited) Non-current RO	Current RO
Finance lease receivables - note (a)	**117,030,837**	**8,144,644**
Loans receivable - note (b)	**1,942,417**	**5,688,453**
	118,973,254	**13,833,097**
Trade receivables - note (c)	**-**	**21,080,488**
Contract assets - note (d)	**-**	**1,855,087**
Other financial assets at amortised cost - note (e)	**-**	**3,389,763**
Bank balances - note (f)	**-**	**143,708,004**
	118,973,254	**183,866,439**

	As at 31 December 2023 (Audited) Non-current RO	Current RO
Finance lease receivables - note (a)	123,430,807	7,626,320
Loans receivable - note (b)	7,462,926	58,960
	130,893,733	7,685,280
Trade receivables - note (c)	-	12,763,879
Contract assets - note (d)	-	2,386,634
Other financial assets at amortised cost - note (e)	-	4,113,853
Bank balances - note (f)	-	175,802,938
	130,893,733	202,752,584

(a) Finance lease receivables

Four of the Group's subsidiaries entered into 20 years lease arrangements for very large ore carriers (VLOCs) with a third party (lessee). The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it does not retain the significant risks and rewards of ownership of these VLOCs and therefore has accounted the time charter party agreements as finance lease arrangements.

	As at 30 September (Audited) 2024 RO	As at 31 December (Audited) 2023 RO
Non-current portion	**117,030,837**	123,430,807
Current portion	**8,313,821**	7,803,260
Less: Expected credit loss allowance [note 10(g)]	**(169,177)**	(176,940)
	8,144,644	7,626,320

During 2024, the Group recorded finance lease income of RO 12.15 million *(2023: RO12.78 million)*.

Future minimum lease receivables under finance lease together with the present value of the minimum lease receivables are as follows:

10 Financial assets (continued)

(a) Finance lease receivables (continued)

	As at 30 September 2024 (Audited) RO	As at 31 December 2023 (Audited) RO
Finance lease receivables		
- Current	**8,313,821**	7,803,260
- Non-current	**117,030,837**	123,430,807
Total finance lease receivable	**125,344,658**	131,234,067
Undiscounted lease payments to be received		
Less than 1 year	**23,383,440**	24,240,910
1 to 2 years	**23,500,333**	23,383,440
2 to 3 years	**23,855,015**	23,500,333
3 to 4 years	**23,001,718**	23,855,015
4 to 5 years	**23,345,799**	23,001,718
More than 5 years	**78,553,949**	107,498,060
	195,640,254	225,479,476
Less : unearned finance income	**(70,295,596)**	(94,245,409)
	125,344,658	131,234,067

The receivable under finance lease arrangements is from a customer considered to be one of the largest ore producers in the world and therefore considered to be of good credit standing. Further, there are no past due finance lease receivables.

(b) Loans receivable

	As at 30 September 2024 (Audited) RO	As at 31 December 2023 (Audited) RO
Loan to a joint venture (note 18 & i)	**5,660,536**	5,553,038
Loan to OJV Cayman 3 Limited (ii)	**1,995,123**	1,993,637
Less: Expected credit loss allowance [note 10(g)]	**(24,789)**	(24,789)
	7,630,870	7,521,886

(i) Loans provided to Al Musanah Maritime Transportation Company S.A., a joint venture, carries an effective annual interest rate of SOFR plus 2% *(2023 - SOFR plus 2%)*. The loan receivables also include an accrued interest of RO 162,736 (2023: RO 55,238) as of the reporting date. The outstanding amount has been settled subsequent to the period in November 2024.

The Group has granted a loan to OJV Cayman 3 Limited denominated in Japanese Yen amounting to RO 1,995,123 *(2023 - RO 1,993,637)*, which carry an interest rate of 4% *(2023– 4%).* The loan receivables also include accrued an interest of RO 27,917 (2023: RO 3,722) as of the reporting date. The outstanding amount has been settled subsequent to the period in December 2024.

(*c*) *Trade receivables*

	As at 30 September 2024 (Audited) RO	As at 31 December 2023 (Audited) RO
Trade receivables	**22,097,290**	13,543,633
Less: Expected credit loss allowance [note 10(g)]	**(1,016,802)**	(779,754)
	21,080,488	12,763,879

Due to the short-term nature of the trade receivables, their carrying amount approximates to their fair value.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

10 Financial assets (continued)

(d) Contract assets

The Group has recognised the following assets related to contracts with customers:

	As at 30 September 2024 (Audited) RO	As at 31 December 2023 (Audited) RO
Contract assets relating to voyage charter contracts	**1,875,631**	2,418,200
Less: expected credit loss (note 10 (g))	**(20,544)**	(31,566)
	1,855,087	2,386,634

The contract assets primarily relate to Group's right to consideration for work completed but not billed at the reporting date (freight services). The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company issues invoice to the customer.

(e) Other financial assets at amortised cost

	As at 30 September 2024 (Audited) RO	As at 31 December 2023 (Audited) RO
Due from related parties (note 18)	**2,013,360**	3,187,491
Other receivables	**1,550,318**	1,036,645
Less: Expected credit loss allowance [note 10(g)]	**(173,915)**	(110,283)
	3,389,763	4,113,853

(f) Bank balances

	As at 30 September 2024 (Audited) RO	As at 31 December 2023 (Audited) RO
Total bank balances	**143,708,004**	175,802,938
Fixed term deposits (With in 1 year) - (i)	**78,338,030**	107,787,683
Fixed term deposits (more than 1 year) - (i)	**7,700,000**	-
Margin deposits - (ii)	**24,326,956**	16,018,602
	110,364,986	123,806,285
Cash and cash equivalents	**33,343,018**	51,996,653
	143,708,004	175,802,938
Cash and cash equivalents	**33,343,018**	51,996,653
Less: Bank overdraft (note 14)	**-**	(8,235,113)
Cash and cash equivalents in consolidated cash flow statement	**33,343,018**	43,761,540

(i) Included in bank balances are deposits of RO 83,150,000 *(2023 – RO 106,042,791)* held with commercial banks in Sultanate of Oman. These deposits are denominated mainly in US Dollars and carry annual interest rates ranging between 5.4%-6.7% *(2023 – 5.00%-5.90%)*. Fixed term deposits also include accrued interest amounting to RO 2,888,030 *(2023: RO 1,744,892)*.

(ii) Certain subsidiaries are required to maintain service deposit balances to comply with the requirement of loans held with commercial banks in Sultanate of Oman, Japan and Europe. As of 30 September 2024, the balances in these service deposit accounts are denominated in US Dollars and amounted to RO 24.326 millions *(2023 - RO 16.018 millions)*.

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

10 Financial assets (continued)

(g) Impairment of financial assets

Trade receivables and contract assets

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has considered industry default rate forecasts issued by an external rating agency to incorporate forward-looking factor in its impairment assessment. The default rate forecasts issued by external agency are based on historic default rates for the industry and is adjusted for forward-looking macro-economic information (e.g., economic data from industry groups, associations or bodies). The Group has not experienced default from its customers over the past three years and accordingly the historical loss rate is 'nil' *(2023 – 'nil')* and therefore, the effective loss rate only consists of the forward looking factor (i.e. one year industry default forecast). Accordingly, loss rates and exposure at default are disclosed based on the industry wise classification of trade receivables and contract assets.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 365 days past due.

On that basis, the loss allowance for financial assets at amortised cost as at 30 September and 31 December was determined as follows:

	Amounts outstanding (RO)	Weighted average loss rates	Loss allowance (RO)
As at 30 September 2024 (Audited)			
Transportation: Cargo	**10,662,631**	**1.41%**	**150,845**
Energy: Oil & Gas	**22,233,944**	**4.71%**	**1,047,774**
Metals & Mining	**127,639,186**	**0.16%**	**206,588**
Beverage, Food, & Tobacco	**1,155**	**2.60%**	**30**
Total	**160,536,916**		**1,405,237**

If the ECL percentages would have fluctuated by 1%, the following impact on profit would have been observed:

	2024 RO (Audited) Increase / Decrease	2023 RO (Audited) Increase / Decrease
Other financial assets at amortised cost (note 10(e))	**31,936**	42,241
Trade receivables (note 10(c))	**220,973**	135,436
Contract assets (note 10 (d))	**18,756**	24,182

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

10 Financial assets (continued)

(g) Impairment of financial assets (continued)

Trade receivables and contract assets (continued)

	Amounts outstanding (RO)	Weighted average loss rates	Loss allowance (RO)
As at 31 December 2023 (Audited)			
Transportation: Cargo	4,247,758	5.80%	246,548
Energy: Oil & Gas	17,011,693	3.96%	674,147
Metals & Mining	132,435,175	0.15%	202,637
Total	153,694,626		1,123,332

Financial assets at amortised cost including finance lease receivables other than trade receivables and contract assets
Management considers 'low credit risk' for entities based on its significant increase in credit risk criteria. The Group considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

Quantitative criteria: A ratings downgrade by two notches for rated entities.

Qualitative criteria: Other instruments from unrated entities are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Backstop: A backstop is applied and the financial instrument considered to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on its contractual payments.

All of the Group's financial assets at amortised cost including finance lease receivables other than trade receivables and contract assets are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses. The Group holds the vessels underlying the time charter contracts for finance lease receivables as collateral against the finance lease receivables which has been factored in the loss given default.

Movement in the allowance for impairment
The movement in the allowance for impairment in respect of financial assets measured at amortised cost during the year was as follows.

	As at 30 September 2024 (Audited) RO	As at 31 December 2023 (Audited) RO
Balance at 1 January	**1,123,332**	1,228,628
Impairment charge / (reversal) during the period	**281,905**	(105,296)
Balance at 30 September/31 December	**1,405,237**	1,123,332
Impairment charge / (reversal) on trade receivables	**237,048**	(118,542)
Impairment reversal on contract assets	**(11,012)**	(76,887)
Impairment charge on other financial assets	**63,632**	49,849
Impairment (reversal) / charge on finance lease receivables	**(7,763)**	40,284
Net impairment charge / (reversal) on financial assets	**281,905**	(105,296)

The expected credit loss allowance for bank balances as at 30 September 2024 and 31 December 2023 was not considered to be material and therefore not recognised in the interim financial statements at the reporting date.

During the period ended 30 September 2023, net impairment reversal on financial assets is amounts to RO 0.129 million.

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

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11 Other current assets

	As at 30 September 2024 (Audited) RO	As at 31 December 2023 (Audited) RO
Costs to fulfil contract (i)	**241,106**	136,337
Advances	**9,852,188**	9,762,093
Prepaid expenses	**5,608,466**	6,251,269
VAT receivables	**13,188**	22
	15,714,948	16,149,721

(i) The amount of RO 0.136 million (31 December 2022: RO 2 million) included in cost to fulfil contract at 31 December 2023 has been recognised as an expense in 30 September 2024.

12 Share capital

	The Company			
	Authorized share capital		Issued and fully paid	
	30 September 2024 (Audited)	31 December 2023 (Audited)	**30 September 2024 (Audited)**	31 December 2023 (Audited)
Shares capital (RO)	**350,000,000**	350,000,000	**130,218,606**	130,218,606
Number of shares	**350,000,000**	350,000,000	**130,218,606**	130,218,606

13 Legal reserves

As required by the Commercial Companies Law of the Sultanate of Oman, the Parent Company and two of its subsidiaries, incorporated in the Sultanate of Oman, transfer 10% of their profit for the year to this reserve until such time as the statutory reserve amounts to at least one third of the respective company's capital. The two Omani subsidiaries have discontinued such annual transfers as their reserves total one third of the respective subsidiary's issued share capital. The reserve is not available for distribution. The Company has transferred RO 1.4 million *(30 September 2023 - RO 1.6 million)* to the legal reserve during the current period. The balance at the end of the year represents amounts relating to the Company and its share of reserves of each of its two Omani subsidiaries below:

	As at 30 September 2024 (Audited) RO	As at 31 December 2023 (Audited) RO
Relating to the Company	**17,708,070**	16,272,053
Relating to the Omani subsidiaries	**416,667**	416,667
	18,124,737	16,688,720

14 Loans and borrowings

	As at 30 September 2024 (Audited) RO	As at 31 December 2023 (Audited) RO
Term loans (i)	**467,357,954**	497,894,222
Bank overdraft	**-**	8,235,113
	467,357,954	506,129,335
Less: Deferred financing costs	**(1,612,709)**	(1,759,763)
Total loan amount	**465,745,245**	504,369,572
Current portion		
Term loans (i)	**53,425,605**	60,192,566
Bank overdraft	**-**	8,235,113
Total current portion of loans and borrowings	**53,425,605**	68,427,679
Non-current portion of loans and borrowings	**412,319,640**	435,941,893

14 Loans and borrowings (continued)

(i) The term loans are denominated in US Dollars and Rial Omani and are repayable in instalments of several denominations from quarterly to semi-annual repayments with the maturity period from 2025 till 2034. These loans are secured against registered mortgage of related vessels and certain other securities.

The loans are secured against the vessels of the Group having carrying value of RO 333.93 millions *(2023 –RO 339.799 millions)* that are assigned to the banks. The loans carry interest at variable rates based on SOFR with margins ranging from 1.7% to 5.7% per annum *(2023: SOFR 1.7% to 4.35%)*

The loan amounts include the loan obtained from Immediate Parent Company during the period amounts to RO 99.50 millions (2023: nil) which is repayable in ten years as per agreement carrying interest rate 5.7%. Accrued intertest as at 30 September 2024 related to this loan is amounting to RO 1.49 million (2023: nil).

The loan agreements contain certain restrictive covenants that include net debt, current ratio, tangible net worth, debt service, debt equity ratio, pattern of shareholding, payment of dividends, disposal of vessel, amendment to time charter party agreement and creation of charge over authorised security. The Group is required to comply with these financial covenants at the end of each annual and interim reporting period (semi annually). The group has complied with these covenants as at the reporting period.

Term loans also include accrued interest amounting to RO 8.9 million *(2023: RO 4.8 millions).*

In order to manage the interest rate risk, the Group has entered into certain interest rate hedging agreements, the details of which are set out in note 15.

Reconciliation of liabilities arising from financing activities

	31 Dec 2023	**Cash in flows**	**Cash out flows**	**Non-cash item**	**30 Sep 2024**
	RO	**RO**	**RO**	**RO**	**RO**
Term loans*	493,031,031	**222,911,250**	**(257,476,124)**	**-**	**458,466,157**
Bank overdraft	8,235,113	**-**	**(8,235,113)**	**-**	**-**
Deferred finance cost	(1,759,763)	**-**	**(248,807)**	**395,861**	**(1,612,709)**
Lease liabilities	160,576,205	**-**	**(74,607,498)**	**65,018,902**	**150,987,609**
Liabilities arising from financing activities	660,082,586	**222,911,250**	**(340,567,542)**	**65,414,763**	**607,841,057**

* It does not include the accrued interest as at 30 September 2024 (31 December 2023: nil).

Cash flows from financing activities include dividends paid during the period amounting to RO 21.91 million *(30 September 2023 – RO 22 million)* which do not have any corresponding liability in the statement of financial position at the reporting date (30 September 2023: nil). The Group has distributed the dividend during the period amounted to RO 20 million (30 September 2023: RO 20 million). Dividend per share distributed during the period is RO 0.15 (30 September 2023 – RO 0.15).

15 Derivative financial instruments

15.1 Relating to subsidiaries

In accordance with the requirements of loan agreements with certain commercial banks and with a view to cap exposure to fluctuating interest rates, certain subsidiaries of the Group have entered into interest rate hedging agreements with commercial banks.

The table below shows the fair values of the derivative financial instruments, which are equivalent to the market values, together with the notional amounts analysed by the term to maturities.

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

15 Derivative financial instruments (continued)

15.1 Relating to subsidiaries (continued)

The notional amounts (i.e. the amounts of underlying liability being hedged by the derivatives), reference rates or indices and the fixed rates at which liabilities are hedged are the basis upon which changes in the values of derivatives are measured.

	As at 30 September (Audited) 2024 RO	As at 31 December (Audited) 2023 RO
Loan balances covered by hedging arrangements	**55,838,457**	99,192,607
Interest rate swaps used for hedging – net assets/(liabilities)	**1,541,925**	3,291,916
Current portion - asset	**1,204,708**	2,561,620
Non-current portion - assets	**355,116**	748,196
Non current portion – liabilities	**(17,899)**	(17,899)
	337,217	730,297
Change in fair value of derivatives	**(1,749,992)**	(7,211,095)
Notional amounts by term to maturity:		
Less than 1 year	**21,882,351**	35,509,617
2 to 5 years	**33,956,107**	56,777,052
Above 5 years	**-**	6,905,938
	55,838,458	99,192,607

The following table illustrates the movement of the Group cash flow hedges in subsidiaries:

	As at 30 September 2024 (Audited) RO	As at 31 December 2023 (Audited) RO
Balance at 1 January	**3,291,917**	10,503,011
Credit for the period (note 27)	**(1,949,264)**	(4,387,675)
Changes in fair value	**199,272**	(2,823,420)
Balance at 30 September/31 December	**1,541,925**	3,291,916

16 Employees' end of service benefits

Movements in the liability recognised in the statement of financial position are as follows:

	As at 30 September 2024 (Audited) RO	As at 31 December 2023 (Audited) RO
Balance at 1 January	**879,927**	573,313
Charge during the period (note 22)	**103,714**	397,258
Paid during the period	**(119,611)**	(90,644)
Balance at 30 September/31 December	**864,030**	879,927

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

17 Trade and other payables

	As at 30 September 2024 (Audited)	As at 31 December 2023 (Audited)
	RO	RO
Amount due to related parties (note 18)	**261,290**	19,891,249
Trade payables	**8,502,592**	12,739,855
Accrued expenses	**12,522,213**	9,323,389
Withholding tax payable	**354,609**	203,252
Other payables	**130,395**	21,644
	21,771,099	42,179,389

18 Related parties

The Company enters into transactions with companies and entities that fall within the definition of a related party as contained in IAS 24 Related Party Disclosures. The Company maintains balances with these related parties which arise in the normal course of business from the commercial transactions at mutually agreed terms. Prices and terms of these transactions are on mutually agreed terms and conditions which are approved by the Company's management and Board of Directors.

In accordance with IAS 24 "Related Party Disclosures", the Group has applied the exemption for 'Government entities' and has elected not to disclose transactions with Government of Oman ("Government"), as the Government has control over the Group. However, the Group has disclosed transactions and balances with Government related entities which are individually or collectively significant.

Balances and transactions between the Company and its subsidiary, which is a related party, have been eliminated on consolidation and are not disclosed in this note. The aggregate value of material transactions and balances with other related parties for the year ended were as follows:

Transactions with related parties included in the consolidated statement of comprehensive income are as follows:

Compensation of key management personnel

Key management personnel are those having authority for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise).
The details regarding remuneration of members of key management and directors' sitting fees for the nine months period ended 30 September are as follows:

	2024 (Audited)	2023 (Reviewed)
	RO	RO
Short-term benefits	**674,664**	739,786
Post employment benefits	**213,527**	193,890
Directors sitting fees	**112,000**	124,998
	1,000,191	1,058,674

During the nine months period ended 30 September, transactions with related parties are as follows:

	2024	2023
	RO	RO
Income		
Vessel management fees from joint venture	**664,263**	559,233
Rental income – immediate parent company, fellow subsidiary and JVs	**287,756**	95,247
Interest income from joint venture (JV)	**326,048**	374,883
Costs		
Dry dock costs - Fellow subsidiary	**864,961**	4,788,420
Cost recharge (including interest on loan) - immediate parent company	**3,216,664**	-
Dividend paid – Immediate parent company	**38,000,000**	20,000,000

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

18 Related parties (continued)

The related party balances are as follows:

	Due from related parties		Due to related parties	
	As at 30 September (Audited) 2024 RO	As at 31 December (Audited) 2023 RO	**As at 30 September (Audited) 2024 RO**	As at 31 December (Audited) 2023 RO
Joint ventures	**7,172,514**	9,558,910	**-**	818,381
Immediate parent company	**370,052**	-	**-**	17,954,939
Fellow subsidiary	**131,330**	54,313	**-**	1,721,519
Ministry of Finance	**-**	-	**261,290**	269,104
Total	**7,673,896**	9,613,223	**261,290**	20,763,943

19 Revenue

	Nine months period ended 30 September	
	2024 (Audited) RO	2023 (Reviewed) RO
Revenue from contracts with customers (note 19.1) *	**81,290,909**	112,210,742
Operating lease income (note 19.2) *	**181,421,224**	149,624,601
Finance lease income [note 10(a)]	**12,154,833**	12,781,794
	274,866,966	274,617,137

*During the year ended 31 December 2023 and 31 December 2022, the management presented charter hire income in the revenue from contracts with customers instead of operating lease income. During the current period, the management has reclassified appropriately charter hire income from revenue from contracts with customers to operating lease income. There is no impact on the gross profit and profit before tax on account of such reclassification**.**.

19.1 Revenue from contracts with customers

Disaggregation of revenue from contracts with customers:

In the following table, revenue from contracts with customers is disaggregated by primary nature of service lines.

	Nine months period ended 30 September	
	2024 (Audited) RO	2023 (Reviewed) RO
Freight income	**73,597,186**	106,491,971
Vessel operation and maintenance services	**6,643,984**	4,787,538
Vessel management services	**1,049,739**	931,233
	81,290,909	112,210,742

19.1.1 All the revenue is recognised over the time as the performance obligation is satisfied over time.

19.2 Operating lease income

The Group leases out the vessels on time charter. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The lease contracts contain terms and conditions designed to protect the Group's interest in the vessels, to protect its personnel and to ensure compliance with laws and regulations. These terms include specification of maximum limit of use, requirements to follow particular operating practices and requirement to inform the Group of changes in how an asset will be used.

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

19 Revenue (continued)

19.2 Operating lease income (continued)

Maturity analysis for lease payments to be received under operating lease

	Nine months period ended 30 September	
	2024	2023
	(Audited)	(Reviewed)
	RO	RO
Less than one year	**175,692,988**	213,602,360
One to two years	**46,673,737**	144,178,726
Two to three years	**18,496,459**	40,213,494
Three to four years	**8,766,450**	17,271,293
Four to five years	**3,862,320**	8,993,600
More than five years	**-**	3,769,920
Total	**253,491,954**	428,029,393

20 Earnings per share

Earnings per share are calculated by dividing the net profit for the period attributable to the shareholders of the Parent Company by the weighted average number of shares in issue during the period as follows:

	Nine months period ended 30 September	
	2024	2023
	(Audited)	(Reviewed)
	RO	RO
Profit attributable to the shareholders (RO)	**42,522,320**	14,814,391
Weighted average number of shares for basic and diluted EPS at the end of reporting period	**130,218,606**	130,218,606
Basic and diluted earnings per share (RO)	**0.327**	0.114

21 Voyage operating costs

	Nine months period ended 30 September	
	2024	2023
	(Audited)	(Reviewed)
	RO	RO
Bunker charges - inventory consumption	**17,478,751**	32,447,440
Port charges	**4,904,393**	11,344,696
Voyage expenses	**16,380,171**	18,442,845
	38,763,315	62,234,981

22 Staff costs

Salaries, wages, and allowances	**5,386,467**	5,403,676
Employees' end of service benefits expenses (note 16)	**103,714**	100,399
Social security costs (PASI)	**764,918**	734,329
Other staff expenses	**2,516,522**	2,223,346
	8,771,621	8,461,750

Staff cost has been charged as follows:

General and administrative expenses (note 25)	**6,940,319**	6,713,369
Commercial expenses (note 24)	**1,831,302**	1,748,381
	8,771,621	8,461,750

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

23 Vessel operating costs

	Nine months period ended 30 September	
	2024	2023
	(Audited)	(Reviewed)
	RO	RO
Depreciation		
- owned assets (note 7)	**36,716,836**	39,277,199
- right-of-use assets (note 8)	**59,120,056**	47,384,093
Manning cost	**23,972,564**	22,185,526
Maintenance & repair	**8,422,918**	7,356,192
Insurance	**2,787,157**	2,478,308
Consumables & stores	**3,196,611**	4,100,647
Ship management fee	**128,192**	135,427
	134,344,334	122,917,392

24 Commercial expenses

	Nine months period ended 30 September	
	2024	2023
	(Audited)	(Reviewed)
	RO	RO
Commission expenses	**3,572,197**	4,818,600
Commercial staff costs (note 22)	**1,831,302**	1,748,381
	5,403,499	6,566,981

25 General and administrative expenses

	Nine months period ended 30 September	
	2024	2023
	(Audited)	(Reviewed)
	RO	RO
Administrative staff costs (note 22)	**6,940,319**	6,713,369
Information technology services	**344,829**	165,274
Legal and professional expenses (note 25.1)	**147,272**	185,876
Depreciation - owned assets (note 7)	**194,926**	199,360
Depreciation - right-of-use assets (note 8)	**48,700**	49,972
Amortisation – intangible assets (note 33)	**14,269**	-
Repairs and maintenance	**28,796**	273,978
Withholding tax expenses	**58,301**	31,281
Other administrative expenses (note 25.2)	**3,256,979**	188,687
	11,034,391	7,807,797

25.1 It includes audit service fee amounts to RO 35,600 (30 September 2023: RO 17,900)

25.2 It includes the management fee payable to Asyad Group amounts to RO. 2.7 million (2023: nil).

26 Finance costs

	Nine months period ended 30 September	
	2024	2023
	(Audited)	(Reviewed)
	RO	RO
Interest on loans and borrowings	**22,919,808**	24,543,060
Interest expenses on lease liabilities (note 8.3)	**6,585,632**	6,427,541
Amortisation of deferred finance cost	**395,861**	520,852
	29,901,301	31,491,453

27 Finance income

	Nine months period ended 30 September	
	2024	2023
	(Audited)	(Reviewed)
	RO	RO
Interest income on loan and bank deposits	**5,215,396**	4,066,484
Interest income on interest rate swap	**1,949,264**	3,573,964
Gain on swap breakage	**-**	3,409,232
	7,164,660	11,049,680

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

28 Other income

	Nine months period ended 30 September	
	2024	2023
	(Audited)	(Reviewed)
	RO	RO
Other income	**294,326**	7,404,325

29 Taxation

Taxation represents the aggregate of the Omani income tax applicable to Group companies in accordance with Omani fiscal regulations. The tax authorities in the Sultanate of Oman follow the legal entity concept. There is no concept of Group taxation in Oman. Accordingly, each legal entity is taxable separately.

	Nine months period ended 30 September	
	2024	2023
	RO	RO
	(Audited)	(Reviewed)
Income tax expense		
Current year	**31,726**	77,490
Deferred tax expense		
Origination and reversal of temporary differences	**(829,949)**	(152,874)
	(798,223)	(75,384)

Non-current assets	**As at 30 September 2024 (Audited)**	As at 31 December 2023 (Audited)
Deferred tax asset	**7,466,981**	6,637,032

The movement in current taxation liability for the period comprises:

	31 September 2024 (Audited) RO	31 December 2023 (Audited) RO
Balance at 1 January	**860**	73,181
Charge for the period	**31,726**	902
Paid during the period	**(589)**	(73,223)
Balance at 30 September/31 December	**31,997**	860

The reconciliation of tax on the accounting profit to tax charge in the consolidated income statement is given below. The applicable rate of tax is 15% *(2023 - 15%).*

	2024 (Audited) RO	2023 (Reviewed) RO
Profit before tax	**45,107,929**	18,125,478
Tax on accounting profit before tax @ 15%	**6,766,189**	2,718,822
Less tax effect of:		
Tax effect of subsidiaries' results not subject to taxation	**(4,579,864)**	195,992
Tax-exempt income	**(3,000,000)**	(2,593,092)
Deductible	**15,452**	(397,106)
	(798,223)	(75,384)

29 Taxation (continued)

Deferred tax assets

	At 1 January 2024 RO	Charge / (credit) for the period RO	At 30 September 2024 RO
2024			
Tax effect of accelerated depreciation	**84,179**	**8,925**	**93,104**
Provision for impairment losses on financial assets	**(15,772)**	**(15,009)**	**(30,781)**
Deferred tax on provision for impairment on investment in an associate	**(116,243)**	**-**	**(116,243)**
Deferred tax on provision for investment in joint ventures	**(391,403)**	**-**	**(391,403)**
Deferred tax on tax losses	**(6,197,793)**	**(823,865)**	**(7,021,658)**
Net deferred tax asset	**(6,637,032)**	**(829,949)**	**(7,466,981)**

At 30 September 2024, the Group has recognised deferred tax asset of RO 7.4 million *(2023 – RO 6.6 million)*. Based on management's assessment, the Group will have sufficient future taxable profits to substantially recover the asset over the next five years.

	At 1 January 2023 RO	Charge / (credit) for the year RO	At 31 December 2023 RO
2023			
Tax effect of accelerated depreciation	66,663	17,516	84,179
Provision for impairment losses on financial assets	(9,230)	(6,542)	(15,772)
Deferred tax on provision for impairment on investment in an associate	(116,243)	-	(116,243)
Deferred tax on provision for investment in joint ventures	(391,403)	-	(391,403)
Deferred tax on tax losses	(4,006,724)	(2,191,069)	(6,197,793)
Net deferred tax asset	(4,456,937)	(2,180,095)	(6,637,032)

(a) Asyad Shipping Company SAOC, Oman Ship Management Company SAOC and Asyad Line LLC

The tax rate applicable to the Company, Oman Ship Management Company SAOC (the subsidiary company) and Asyad Line LLC (the subsidiary company) is 15% *(2023 - 15%)*. For the purpose of determining the tax expense for the year, the accounting profit has been adjusted for tax purposes. Adjustments for tax purposes include items relating to both income and expense. The adjustments are based on the current understanding of the existing tax laws, regulations and practices. The Company has no income tax payable as of reporting date (31 December 2023: Nil) and subsidiaries has a tax payable of RO 31,997 (31 December 2023: 860) respectively in the current period.

(b) Oman Charter Company SAOC

Oman Charter Company SAOC is not subject to taxation in Oman in accordance with the Article 116 (1) of the Oman Income Tax Law amended by Royal Decree 68/2000. Accordingly, the company has not provided for any tax liability under the Oman Income Tax Law.

(c) Asyad Shipping PTE Ltd.

The tax rate applicable to Asyad Shipping PTE Ltd. (the subsidiary company- based in Singapore) is 17% *(2023 - 17%)*. For the purpose of determining the tax expense for the year, the accounting profit has been adjusted for tax purposes. Adjustments for tax purposes include items relating to both income and expense. The adjustments are based on the current understanding of the existing tax laws, regulations and practices. This subsidiary has tax payable of nil (2023: Nil).

(d) Panama subsidiaries

The Group's subsidiaries registered in the republic of Panama, are exempt from tax on their income arising from owning, chartering and operating Panama registered vessels as per Panama fiscal regulations.

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

29 Taxation (continued)

(e) Marshall Islands subsidiaries

The Group's subsidiaries registered in the republic of Marshall Islands, are exempt from tax on their income arising from owning, chartering and operating Marshall Islands registered vessels as per Marshall Islands fiscal regulations. However, some of the Group's subsidiaries are subject to tax tonnage on vessel and other than payment of registry fee, the subsidiaries are not bound to pay any further tax.

Deferred tax asset have not been recognised in respect of impairment on investment in subsidiaries of amounting to RO 190.80 million *(2023: RO 190.80 million)* with tax effect of RO 28.62 million *(2023: RO 28.62 million)*, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom.

30 Inventories

	2024 (Audited) RO	2023 (Audited) RO
Bunker fuel	**4,860,229**	6,013,088
Lubricants	**3,168,542**	3,295,820
	8,028,771	9,308,908

30.1 Inventory Consumption cost

Inventory consumption cost included in the consolidated statement of comprehensive income are as follows:

	Nine months period ended 30 September	
	2024 (Audited) RO	2023 (Reviewed) RO
Bunker fuel (note 21)	**17,478,751**	32,447,440
Lubricants	**1,534,047**	1,760,830
	19,012,798	34,208,270

31 Contract liabilities

	As at 30 September 2024 (Audited) RO	As at 31 December 2023 (Audited) RO
Contract liabilities	**15,374,695**	12,716,920

The contract liabilities primarily relate to the advance consideration received from customers for the charter hire be provided in future period. This will be recognised as revenue when the performance obligation will be satisfied which is expected to occur in period 2024. The amount of RO 12.7 million included in contract liability at 31 December 2023 has been recognised as income in period 30 September 2024.

32 Commitments and contingencies

32.1 Contingencies

At 30 September 2024, the Company has guaranteed loans borrowed by its subsidiaries amounting to RO 176.17 million *(31 December 2023 – RO 199.49 million).*

32.2 Capital commitments

The Group has vessel purchase commitments of RO 334.67 million *(2023: RO 155.18 million)* as of 31 December 2023 which relates to 2 LNG and 4 VLCC vessels under construction (2023: 2 LNG vessels).

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33 Intangible asset - software

	As at 30 September 2024 (Audited) RO	As at 31 December 2023 (Audited) RO
Cost		
Opening balance	**-**	-
Additions	**259,438**	-
Closing balance	**259,438**	-
Accumulated amortization		
Opening balance	**-**	-
Amortisation for the period (note 25)	**14,269**	-
Closing balance	**14,269**	-
Carrying amount	**245,169**	-

33.1 The estimated useful lives for software is 3 years.

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

34 Non – controlling interests

The following table summarizes the information relating to each of the Group's subsidiaries that has material NCI, before any intra Group eliminations.

Nine months period ended 30 September 2024 (Audited)	**AREJ**	**TIWI**	**DUNE**	**ORYX**	**Total**
NCI Percentage	**20%**	**20%**	**20%**	**40%**	
	RO	**RO**	**RO**	**RO**	**RO**
Non-current assets	**18,395,116**	**17,364,188**	**17,949,871**	**16,107,158**	**69,816,333**
Current assets	**6,732,498**	**6,297,537**	**2,972,936**	**5,191,978**	**21,194,949**
Non-current liabilities	**(1,950,441)**	**-**	**-**	**-**	**(1,950,441)**
Current liabilities	**(4,218,464)**	**(4,074,339)**	**(207,245)**	**(2,556,781)**	**(11,056,829)**
Net assets	**18,958,709**	**19,587,386**	**20,715,562**	**18,742,355**	**78,004,012**
Carrying amount of NCI	**3,791,742**	**3,917,477**	**4,143,112**	**7,496,942**	**19,349,273**
Revenue	**7,913,174**	**7,947,034**	**4,237,782**	**8,244,805**	**28,342,795**
Profit	**3,789,105**	**3,716,739**	**681,979**	**4,365,667**	**12,553,490**
OCI	**131,433**	**124,407**	**-**	**42,647**	**298,487**
Total comprehensive income	**3,920,538**	**3,841,146**	**681,979**	**4,408,314**	**12,851,977**
Profit allocated to NCI	**757,821**	**743,348**	**136,396**	**1,746,267**	**3,383,832**
OCI allocated to NCI	**26,287**	**24,880**	**-**	**17,059**	**68,226**
Cashflows from operating activities	**2,115,702**	**1,427,062**	**(606,136)**	**319,920**	**3,256,548**
Cashflows from investing activities	**(864,372)**	**316,938**	**2,338,636**	**(1,021,047)**	**770,155**
Cashflows from financing activities	**(2,322,643)**	**(3,421,981)**	**(1,732,500)**	**(4,274,721)**	**(11,751,845)**
Net change in cash and cash equivalents	**(1,071,313)**	**(1,677,981)**	**-**	**(4,975,848)**	**(7,725,142)**

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

34 Non – controlling interests (continued)

31 December 2023 (Audited)	AREJ	TIWI	DUNE	ORYX	Total
NCI Percentage	20%	20%	20%	40%	
	RO	RO	RO	RO	RO
Non-current assets	19,213,432	19,666,587	19,455,665	17,974,662	76,310,346
Current assets	5,974,472	5,747,283	3,492,384	8,012,364	23,226,503
Non-current liabilities	3,853,273	1,944,415	-	1,204,401	7,002,089
Current liabilities	5,552,361	5,934,402	1,181,965	7,475,784	20,144,512
Net assets	15,782,270	17,535,053	21,766,084	17,306,840	72,390,247
Carrying amount of NCI	3,156,454	3,507,011	4,353,217	6,922,735	17,939,417
Revenue	10,054,541	10,177,228	6,042,575	10,674,166	36,948,510
Profit	4,855,097	4,871,899	1,465,488	5,685,262	16,877,746
OCI	(88,494)	(109,226)	-	(105,915)	(303,635)
Total comprehensive income	4,766,603	4,762,673	1,465,488	5,579,347	16,574,111
Profit allocated to NCI	971,019	974,380	293,098	2,274,105	4,512,602
OCI allocated to NCI	(17,699)	(21,845)	-	(42,366)	(81,910)
Cashflows from operating activities	8,258,101	8,328,717	4,036,515	10,334,125	30,957,458
Cashflows from investing activities	(406,366)	(1,845,439)	1,353,485	440,278	(458,042)
Cashflows from financing activities	(6,489,180)	(5,183,073)	(5,390,000)	(8,160,201)	(25,222,454)
Net change in cash and cash equivalents	1,362,555	1,300,205	-	2,614,202	5,276,962

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

35 Operating Segments:

Information about reportable segments:

Information related to each reportable segment is set out below. Segment profit / (loss) before tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

30 September 2024 (Audited)	**Gas Shipping**	**Crude Shipping**	**Products Shipping**	**Dry bulk Shipping**	**Liner Shipping**	**Others – unallocated**	**Total**
	RO	**RO**	**RO**	**RO**	**RO**	**RO**	**RO**
Operating lease income	37,108,861	52,892,035	70,275,922	16,207,153	4,937,253	-	181,421,224
Revenue from contracts with customers	404,132	21,465,516	3,943,243	16,543,743	37,717,043	1,217,232	81,290,909
Finance lease income	-	-	-	12,154,833	-	-	12,154,833
Other income	-	-	-	-	-	294,326	294,326
Dividend income	-	-	-	-	-	130,750	130,750
Gross revenue – external parties	**37,512,993**	**74,357,551**	**74,219,165**	**44,905,729**	**42,654,296**	**1,642,308**	**275,292,042**
Voyage operating costs	34,025	(8,442,088)	(665,980)	(3,853,740)	(25,797,545)	(37,987)	(38,763,315)
Time charter equivalent	**37,547,018**	**65,915,463**	**73,553,185**	**41,051,989**	**16,856,751**	**1,604,321**	**236,528,727**
Charter hire expenses for short term leases	(2,975,971)	(4,385,339)	(1,938,297)	(7,995,070)	(1,270,858)	-	(18,565,535)
Vessel operating costs	(6,369,400)	(11,523,133)	(9,542,164)	(8,992,031)	(1,938,658)	(142,056)	(38,507,442)
Commercial expenses	(123,123)	(1,506,528)	(834,840)	(1,062,945)	(44,761)	(1,831,302)	(5,403,499)
General and administrative expenses	(2,691)	(5,881)	(4,070)	(3,706)	(71,607)	(10,702,810)	(10,790,765)
Earnings before interest, tax, depreciation and amortization	**28,075,833**	**48,494,582**	**61,233,814**	**22,998,237**	**13,530,867**	**(11,071,847)**	**163,261,486**
Depreciation and amortisation expenses	(9,481,604)	(26,822,685)	(42,356,159)	(6,886,883)	(10,296,415)	(236,772)	(96,080,518)
Earnings before interest and tax	**18,594,229**	**21,671,897**	**18,877,655**	**16,111,354**	**3,234,452**	**(11,308,619)**	**67,180,968**
Finance cost	(988,496)	(7,920,041)	(5,434,336)	(4,999,558)	(2,021,879)	(8,536,991)	(29,901,301)
Finance income	654,377	309,990	408,797	1,123,350	359	4,667,787	7,164,660
Net impairment losses on financial assets	-	(137,628)	(108,851)	3,930	120,503	(159,859)	(281,905)
Gain on sale of property, vessels and equipment	-	-	-	-	3,110	-	3,110
Share of results of joint ventures and associates	-	-	-	-	-	942,397	942,397
Profit before tax	**18,260,110**	**13,924,218**	**13,743,265**	**12,239,076**	**1,336,545**	**(14,395,285)**	**45,107,929**
Income tax expense	-	-	-	-	(20)	798,243	798,223
Profit for the period	**18,260,110**	**13,924,218**	**13,743,265**	**12,239,076**	**1,336,525**	**(13,597,042)**	**45,906,152**

30 September 2024 (Audited)							
Assets							
Property, vessels and equipment	**155,715,819**	**236,549,456**	**101,922,985**	**52,279,096**	**29,234,468**	**50,045,766**	**625,747,590**
Right of use assets	**-**	**42,913,627**	**66,622,172**	**13,438,689**	**11,234,423**	**98,675**	**134,307,586**
Liabilities							
Loan and borrowings	**12,214,461**	**103,653,983**	**34,116,075**	**75,413,716**	**12,242,426**	**228,104,584**	**465,745,245**
Lease Liabilities	**-**	**44,303,989**	**65,929,545**	**14,137,350**	**26,509,158**	**107,567**	**150,987,609**

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35 Operating Segments (continued)

30 September 2023 (Reviewed)	**Gas Shipping**	**Crude Shipping**	**Products Shipping**	**Dry bulk Shipping**	**Liner Shipping**	**Others – unallocated**	**Total**
	RO	**RO**	**RO**	**RO**	**RO**	**RO**	**RO**
Operating lease income	37,963,676	42,495,241	49,370,826	19,794,858	-	-	149,624,601
Revenue from contracts with customers	614,050	48,590,595	11,754,661	17,300,347	32,836,032	1,115,057	112,210,742
Finance lease income	-	-	-	12,781,794	-	-	12,781,794
Other income	1,056,812	3,426,419	2,817,087	-	-	104,007	7,404,325
Dividend income	-	-	-	-	-	147,571	147,571
Gross revenue	**39,634,538**	**94,512,255**	**63,942,574**	**49,876,999**	**32,836,032**	**1,366,635**	**282,169,033**
Voyage operating costs	(385,915)	(19,172,094)	(5,665,830)	(9,266,134)	(27,653,506)	(91,502)	(62,234,981)
Time charter equivalent	**39,248,623**	**75,340,161**	**58,276,744**	**40,610,865**	**5,182,526**	**1,275,133**	**219,934,052**
Charter hire expenses for short term leases	(3,214,043)	-	(7,786,425)	(6,366,106)	(5,084,758)	-	(22,451,332)
Vessel operating costs	(5,538,442)	(14,138,830)	(8,042,058)	(7,411,229)	(839,880)	(285,661)	(36,256,100)
Commercial expenses	(131,088)	(2,473,419)	(1,159,113)	(1,054,980)	-	(1,748,381)	(6,566,981)
General and administrative expenses	(4,545)	(19,598)	(6,790)	(2,898)	(39,783)	(7,484,851)	(7,558,465)
Earnings before interest, tax, depreciation and amortization	**30,360,505**	**58,708,314**	**41,282,358**	**25,775,652**	**(781,895)**	**(8,243,760)**	**147,101,174**
Depreciation expenses	(9,301,608)	(27,023,372)	(27,153,108)	(6,402,833)	(16,793,275)	(236,428)	(86,910,624)
Earnings before interest and tax	**21,058,897**	**31,684,942**	**14,129,250**	**19,372,819**	**(17,575,170)**	**(8,480,188)**	**60,190,550**
Finance cost	(1,452,987)	(7,883,051)	(6,325,184)	(5,586,491)	(1,672,818)	(8,570,922)	(31,491,453)
Finance income	720,612	3,399,980	1,134,417	2,201,372	3,394	3,589,905	11,049,680
Net impairment losses on financial assets	-	-	386,404	-	(289,906)	33,446	129,944
Gain on sale of property, vessels and equipment	-	-	-	-	1,826	-	1,826
Net impairment losses on right-of-use assets	-	-	-	-	(22,325,594)	-	(22,325,594)
Share of results of joint ventures and associates	-	-	-	-	-	570,525	570,525
Profit before tax	**20,326,522**	**27,201,871**	**9,324,887**	**15,987,700**	**(41,858,268)**	**(12,857,234)**	**18,125,478**
Income tax expense	-	-	-	-	-	75,384	75,384
Profit for the period	**20,326,522**	**27,201,870**	**9,324,887**	**15,987,699**	**(41,858,267)**	**(12,781,850)**	**18,200,862**
30 September 2023 (Reviewed)							
Assets							
Property, vessels and equipment	**164,403,752**	**336,093,353**	**107,300,542**	**56,132,363**	**28,420,044**	**7,531,671**	**699,881,725**
Right of use assets	**-**	**38,959,483**	**72,334,446**	**9,443,066**	**25,425,606**	**163,034**	**146,325,635**
Liabilities							
Loan and borrowings	**22,075,286**	**113,931,969**	**53,370,263**	**88,147,787**	**-**	**249,820,604**	**527,345,909**
Lease Liabilities	**-**	**39,801,574**	**71,717,575**	**10,637,426**	**49,023,871**	**170,863**	**171,351,309**

35.1 Segment revenue reported above represents revenue generated from external customers. There was no inter-segment revenue in the period (2023: nil).
35.2 Segmental gross revenue, profit for the period and relevant assets and liabilities disclosed above are matching to the consolidated interim financial statements.
35.3 Segmental assets and liabilities reported above reflects actual amounts related to these segments and there is no allocation within the segments.
35.4 There is no major customer who constitute 10% of the total revenues.
35.5 The Group's vessels are deployed throughout the world and are not concentrated in certain geographical areas. The Group's management does not consider the geographical distribution of the Group's operations to be relevant for their internal management analysis and therefore no geographical segment information has been disclosed.

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

36 Fair value of assets and liabilities

Fair value versus carrying amounts

The fair values of other financial assets at amortised costs is close to the carrying value because of the short term nature of the financial assets; except for finance lease receivables, which are long term in nature and are exposed to fair valuation risk due to variability in underlying interest rate. The fair value of loans receivable approximate to their carrying value due to no significant difference between the current market interest rates when compared with the interest rates on which the loans were extended.

(a) Fair value measurements recognised in the statement of financial position:

	Carrying amount				Fair value
	Fair value – Hedging instrument RO	**Other financial assets RO**	**Other financial liabilities RO**	**Total RO**	**Level 3 RO**
30 September 2024 (Audited)					
Finance lease receivables (note 10 (a))	**-**	**125,175,481**	-	**125,175,481**	**125,175,481**
Loans receivable (note 10 (b))	**-**	**7,630,870**	-	**7,630,870**	**7,630,870**
Derivative instruments (note 15.1)	**1,559,824**	**-**	-	**1,559,824**	**1,559,824**
Assets	**1,559,824**	**132,806,351**	-	**134,366,175**	**134,366,175**
Derivative instrument	**17,899**	-	**-**	**17,899**	**17,899**
Loans and borrowings	**-**	-	**467,357,954**	**467,357,954**	**467,357,954**
Liabilities	**17,899**	-	**467,357,954**	**467,375,853**	**467,375,853**
31 December 2023 (Audited)					
Receivables under finance lease arrangements (note 10 (a))	-	131,057,127	-	131,057,127	131,057,127
Loans receivable (note 10 (b))	-	7,521,886	-	7,521,886	7,521,886
Derivative instruments (note 15.1)	3,309,816	-	-	3,309,816	3,309,816
Assets	3,309,816	138,579,013	-	141,888,829	141,888,829
Derivative instrument	17,899	-	-	17,899	17,899
Loans and borrowings	-	-	497,894,222	497,894,222	497,894,222
Liabilities	17,899	-	497,894,222	497,912,121	497,912,121

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

36 Fair value of assets and liabilities (continued)

(b) Fair value hierarchy

Type	Valuation technique	Significant unobservable inputs
Derivative instrument (Interest rate swaps)	Market comparison technique: fair value is calculated by the respective financial institutions.	Not applicable

There were no transfers between the levels during the current as well as the previous period.

37 Subsequent events

On 30 December 2024, the Board of Directors of the Company approved the change in the value of the Shares from one Omani Rial per Share to 25 Bzs per share resulting increase in the number of shares from 130,218,606 to 5,208,744,280.

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Registered office:

P.O. Box 104, Postal Code 118
Madinat Al Sultan Qaboos
Bousher, Muscat

Principal place of business:

Bawsher Heights, Building No. 1/171
Complex 261, Bawsher
Muscat, Sultanate of Oman

ASYAD SHIPPING

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER

Contents

KPMG

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Independent auditors' report

To the Shareholders of Asyad Shipping Company SAOC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Asyad Shipping Company SAOC ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants *International* Code of Ethics for Professional Accountants *(including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Sultanate of Oman, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Board of Directors' report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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Tax Card No. 8063052

KPMG

Other Information *(continued)*

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with the applicable provisions of the Commercial Companies Law of 2019 and the Ministerial Decision 146/2021, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements *(continued)*

— Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Group to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

— Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

We report that these financial statements comply, in all material respects, with the applicable provisions of the Commercial Companies Law of 2019.

Further, as required by the applicable provisions of the Commercial Companies Law of 2019 and the Ministerial Decision 146/2021, we report that:

(i) we have obtained all the information and explanations we considered necessary for the purposes of our audit;

(ii) the Group has maintained accounting records and the consolidated financial statements are in agreement therewith;

(iii) the Group has carried out physical verification of inventories;

(iv) the financial information included in the Board of Directors’ report is consistent with the books of accounts of the Group; and

(v) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the year ended 31 December 2023 any of the applicable provisions of the Commercial Companies Law of 2019 or of its Articles of Association which would materially affect the financial performance and/or its financial position as at 31 December 2023.

Mobeen Chaudhri
21 March 2023

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ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER

	Note	2023 RO	2022 RO
ASSETS			
Non-current assets			
Property, vessels and equipment	7	**636,264,448**	679,609,418
Right-of-use assets	8.1	**135,043,072**	88,388,957
Equity-accounted investees	9	**24,225,986**	25,538,375
Financial assets at amortised cost	10	**130,893,733**	138,828,121
Derivatives	15	**748,196**	5,334,466
Deferred tax assets	29	**6,637,032**	4,456,937
		933,812,467	942,156,274
Current assets			
Financial assets at amortised cost	10	**7,685,280**	6,841,760
Trade receivables	10(c)	**12,763,879**	18,518,669
Derivatives	15	**2,561,620**	5,186,444
Contract assets	10(d)	**2,386,634**	8,342,512
Other financial assets at amortised cost	10(e)	**4,113,853**	4,610,378
Cash and cash equivalents	10(f)	**51,996,653**	50,368,738
Fixed term & margin deposits	10(f)	**123,806,285**	79,275,631
Other current assets	11	**16,149,721**	16,793,128
Inventories	30	**9,308,908**	12,199,766
		230,772,833	202,137,026
Total assets		**1,164,585,300**	1,144,293,300
EQUITY AND LIABILITIES			
EQUITY			
Share capital	12	**130,218,606**	130,218,606
Legal reserves	13	**16,688,720**	11,708,469
Cumulative changes in fair values	15	**3,190,270**	10,319,455
Retained earnings		**275,807,515**	283,811,001
Equity attributable to the owners of the Company		**425,905,111**	436,057,531
Non-controlling interests	34	**17,939,417**	17,666,725
Total equity		**443,844,528**	453,724,256
LIABILITIES			
Non-current liabilities			
Loans and borrowings	14	**435,941,893**	502,122,662
Employee end of service benefits	16	**879,927**	573,313
Derivatives	15	**17,899**	17,899
Lease liabilities	8.2	**76,137,948**	58,784,394
		512,977,667	561,498,268
Current liabilities			
Trade and other payables	17	**42,179,389**	35,394,776
Loans and borrowings	14	**68,427,679**	58,314,399
Income tax payable	29	**860**	73,181
Lease liabilities	8.2	**84,438,257**	32,307,933
Contract liabilities	31	**12,716,920**	2,980,487
		207,763,105	129,070,776
Total liabilities		**720,740,772**	690,569,044
Total equity and liabilities		**1,164,585,300**	1,144,293,300

The consolidated financial statements including notes from 1 to 36 were approved and authorised for issue in accordance with a resolution of the Board of Directors on 14 March 2024 and were signed on their behalf by:

Chairman

Director

The accompanying notes form an integral part of these consolidated financial statements

Independent auditors' report – page 1 to 3.

ASYAD SHIPPING

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER

	Note	2023 RO	2022 RO
Revenue from contracts with customers	20	**217,005,757**	266,420,123
Operating lease income	19	**129,755,339**	63,901,420
Finance lease income	10(a)	**16,955,690**	17,795,506
Gross revenue		**363,716,786**	348,117,049
Voyage operating costs	21	**(81,701,427)**	(98,052,607)
Charter hire expenses for short term vessel hires		**(28,642,839)**	(22,077,037)
Vessel operating costs	23	**(170,570,497)**	(138,036,089)
Gross profit		**82,802,023**	89,951,316
Other income	28	**7,476,561**	576,185
Dividend income		**147,570**	960,445
Commercial expenses	24	**(8,089,015)**	(8,019,067)
General and administrative expenses	25	**(12,597,265)**	(10,855,590)
Impairment reversal / (losses) on financial and contract assets	10(g)	**105,296**	(247,565)
Impairment losses on right-of-use assets	8.1	**(22,325,594)**	-
Gain / (loss) on sale of property, vessels and equipment		**18,041,449**	(715,114)
Operating profit		**65,561,025**	71,650,610
Finance costs	26	**(42,353,634)**	(25,799,952)
Finance income	27	**13,105,172**	2,009,798
Share of results of equity-accounted-investees	9	**997,611**	(6,777,233)
Profit before tax		**37,310,174**	41,083,223
Income tax credit	29	**2,179,193**	1,701,208
Profit for the period		**39,489,367**	42,784,431
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Equity-accounted investees – share of OCI	15.2	**-**	19,416
Cash flow hedges – effective portion of changes in fair value *	15.1	**(2,823,420)**	14,622,252
Cash flow hedges – reclassified to profit or loss *	15.1	**(4,387,675)**	342,411
Other comprehensive income for the period, net of tax		**(7,211,095)**	14,984,079
Total comprehensive income for the period		**32,278,272**	57,768,510
Profit attributable to:			
Owners of the Company		**34,976,765**	38,594,615
Non-controlling interests	34	**4,512,602**	4,189,816
		39,489,367	42,784,431
Total comprehensive income attributable to:			
Owners of the Company		**27,847,580**	53,050,407
Non-controlling interests		**4,430,692**	4,718,103
		32,278,272	57,768,510

*The cash flow hedges do not have any tax impact as these relate to entities registered in tax haven jurisdictions.

The accompanying notes form an integral part of these consolidated financial statements

Independent auditor's report - page 1 to 3.

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Attributable to owners of the Company						
	Share capital RO	Legal reserves RO	Cumulative changes in fair values RO	Retained earnings RO	Total RO	Non-controlling interests RO	Total equity RO
Balance at 1 January 2022	130,218,606	9,231,141	(4,136,337)	247,693,714	383,007,124	16,929,522	399,936,646
Total comprehensive income for the period							
Profit for the period	-	-	-	38,594,615	38,594,615	4,189,816	42,784,431
Other comprehensive income for the period	-	-	14,455,792	-	14,455,792	528,287	14,984,079
	-	-	14,455,792	38,594,615	53,050,407	4,718,103	57,768,510
Transfer to legal reserves	-	2,477,328	-	(2,477,328)	-	-	-
Transactions with owners of the company							
Dividends	-	-	-	-	-	(3,980,900)	(3,980,900)
Balance at 31 December 2022	130,218,606	11,708,469	10,319,455	283,811,001	436,057,531	17,666,725	453,724,256

	Attributable to owners of the Company						
	Share capital RO	**Legal reserves RO**	**Cumulative changes in fair values RO**	**Retained earnings RO**	**Total RO**	**Non-controlling interests RO**	**Total equity RO**
Balance at 1 January 2023	**130,218,606**	**11,708,469**	**10,319,455**	**283,811,001**	**436,057,531**	**17,666,725**	**453,724,256**
Total comprehensive income for the period							
Profit for the period	-	-	-	**34,976,765**	**34,976,765**	**4,512,602**	**39,489,367**
Other comprehensive loss for the period	-	-	**(7,129,185)**	-	**(7,129,185)**	**(81,910)**	**(7,211,095)**
			(7,129,185)	**34,976,765**	**27,847,580**	**4,430,692**	**32,278,272**
Transfer to legal reserves	-	**4,980,251**	-	**(4,980,251)**	-	-	-
Transactions with owners of the company							
Dividends	-	-	-	**(38,000,000)**	**(38,000,000)**	**(4,158,000)**	**(42,158,000)**
31 December 2023	**130,218,606**	**16,688,720**	**3,190,270**	**275,807,515**	**425,905,111**	**17,939,417**	**443,844,528**

The accompanying notes form an integral part of these consolidated financial statements

Independent auditor's report - page 1 to 3.

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER

	Note	2023 RO	2022 RO
Cash flows from operating activities			
Profit before tax		**37,310,174**	41,083,223
Adjustments for:			
Impairment reversal / (losses) on financial and contract assets	10(h)	**(105,296)**	247,565
Gain / (loss) on sale of property, vessels and equipment		**(18,041,449)**	279,830
Impairment losses on right of use assets		**22,325,594**	-
Depreciation	7, 8	**121,896,806**	81,223,134
Share of results of joint ventures and associate	9	**(997,611)**	6,777,233
Property, vessels and equipment write off during the year		**-**	3,560,221
Provision for employees' end of service benefits	16	**397,258**	208,324
Finance income	27	**(13,105,172)**	(2,009,798)
Finance costs	26	**42,353,634**	25,799,952
Dividend income		**(147,570)**	(960,444)
		191,886,368	156,209,240
Changes in:			
Inventories		**2,890,858**	2,500,021
Trade receivables		**5,873,332**	(6,020,109)
Contract assets		**6,032,765**	(4,058,000)
Other financial assets at amortised cost		**446,676**	(3,233,595)
Other current assets		**643,407**	(8,684,606)
Trade and other payables		**6,784,613**	(35,156,439)
Contract liabilities		**9,736,433**	425,146
Cash generated from operating activities		**224,294,452**	101,981,658
Finance cost paid (including interest portion of lease liabilities)		**(41,674,020)**	(23,705,162)
Employees' end of service benefit paid	16	**(90,644)**	(42,383)
Income tax paid	29	**(73,223)**	(177,470)
Net cash from operating activities		**182,456,565**	78,056,643
Cash flows from investing activities			
Acquisition of property, vessels and equipment	7	**(64,304,947)**	(16,904,652)
Proceeds from sale of property, vessels and equipment		**74,821,413**	51,032,766
Movement in fixed term and margin deposits		**(44,530,654)**	1,603,242
Dividends received		**2,457,570**	1,980,694
Financial assets at amortised cost		**7,050,584**	6,396,227
Finance income received		**13,105,172**	2,053,269
Net cash (used in) / from investing activities		**(11,400,862)**	46,161,546
Cash flows from financing activities			
Proceeds from loans and borrowings	14	**6,930,000**	-
Repayments of borrowings	14	**(72,831,258)**	(61,164,376)
Lease payments -principal portion	8.4	**(69,563,967)**	(23,820,543)
Dividend paid		**(42,158,000)**	(3,980,900)
Net cash used in financing activities		**(177,623,225)**	(88,965,819)
Net (decrease) / increase in cash and cash equivalents		**(6,567,522)**	35,252,370
Cash and cash equivalents at 1 January		**50,329,062**	15,076,692
Cash and cash equivalents at 31 December (note 10(f))		**43,761,540**	50,329,062

Reconciliation of liabilities arising from financing activities [note 14]

The accompanying notes form an integral part of these consolidated financial statements

Independent auditor's report - page 1 to 3.

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Legal status and principal activities

Asyad Shipping Company SAOC (the "Company") and its subsidiaries together referred as (the "Group") are engaged in investment in ship owning companies, vessel charter hire activities and ship management activities. The Group operates internationally.

The Company is 100% owned by Asyad SAOC (the "Immediate Parent Company"). Asyad SAOC is 100% owned by the Oman Investment Authority which is ultimately owned by the Government of Sultanate of Oman (the "Ultimate Controlling Party").

2 Basis of preparation

2.1 Statement of compliances

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and applicable requirements of the Commercial Companies Law of 2019.

The consolidated financial statements have been presented in Rial Omani ("RO"). The functional currency of the Group is US Dollars ("USD"). The Group translates the USD amounts to RO amounts at an exchange rate of USD 1 = RO 0.385. The exchange rate has been constant throughout the current and prior years, as the Rial Omani is pegged to the USD.

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Rial Omani (RO), which is the Group's presentation currency. The factors determining the functional currency are the currencies of the functions. All the Group's sales are in USD. Most of the Group's expenses and finances are dominated in USD. Payroll is in RO, and some of the Group's finances are in Rom and JPY; however, these items are insignificant and most of the functions are dominated in USD, as a result of which the functional currency is USD.

The consolidated financial statements are prepared under the historical cost convention modified where applicable for financial assets and financial liabilities carried at fair value and disclosed in financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

2.2 New and amended standards adopted by the Group

The Group has adopted all new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 January 2023.

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2023:

New accounting standards or amendments	Effective for annual periods beginning on or after
IFRS 17 - Insurance Contracts	01 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	01 January 2023
Disclosure of accounting policies - Amendments to IAS 1 and IFRS Practice Statement 2	01 January 2023
Definition of Accounting Estimate - Amendments to IAS 8	01 January 2023
International Tax Reforms - Pillar two model rules - Amendments to IAS 12	23 May 2023

The above standards and amendments do not have any material impact on the Group financial statements except as a result of the amendment to IAS 1, only the material accounting policies have been disclosed.

2 Basis of preparation (continued)

2.3 New standards, amendments and interpretations not yet effective or adopted

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

New accounting standards or amendments	Effective for annual periods beginning on or after
Classification of Liabilities as Current or Non-current and Non-current Liabilities with covenants – Amendments to IAS 1	01 January 2024
Supplier Finance Arrangements - Amendment to IAS 7 and IFRS 7	01 January 2024
Lease liability in a sale and leaseback - Amendments to IFRS 16	01 January 2024
Lack of Exchangeability – Amendments to IAS 21	01 January 2025
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Available for optional adoption/ effective date deferred indefinitely

There are no other IFRS standards, amendments or interpretations that are expected to have a material impact on the Group.

2.4 Change in material accounting policies

Except as described below, the accounting policies applied in these financial statements are the same as those applied in the Group's financial statements as at and for the year ended 31 December 2022.

2.4.1 Material accounting policy information

The Group also adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 3 'Summary of material accounting policies' *(2022: Summary of significant accounting policies)* in certain instances in line with the amendments.

2.4.2 Deferred tax related to assets and liabilities arising from a single transaction

The Group has adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) from 1 January 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences-e.g. leases and decommissioning liabilities. For leases and decommissioning liabilities, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented.

The Group accounted for deferred tax on leases liabilities applying the "integrally linked" approach resulting in a similar outcome to the amendments, except that the Group deferred tax asset or liability was recognised on net basis. However, there was no impact on the statement of financial position because the balances qualify for offset under paragraph 74 of IAS 12. There was also no impact on the opening retained earnings as at 1 January 2023 as a result of the change. The key impact for the Group related to disclosure of the deferred tax assets and liabilities recognized is disclosed in note 29 of these financial statements.

3 Summary of material accounting policies

The Group's principal accounting policies are summarized below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Basis of consolidation

(a) Business combination

The Group accounts for business combinations under the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

(b) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The financial statements of the subsidiaries are prepared for the same reporting year as the Company, using consistent accounting policies.

(c) Interest in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.
Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for under the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity- accounted investees, until the date on which significant influence or joint control ceases.

(d) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee." Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3 Summary of material accounting policies (continued)

3.1 Basis of consolidation (continued)

(e) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(f) Non-controlling interests

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

3.2 Property, vessels and equipment

(a) Owned assets

Items of property, vessel and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost of marine vessels includes purchase price paid to third parties, including registration and legal documentation costs, all directly attributable costs incurred to bring the vessel into working condition at the area of planned use, mobilisation costs to the operating location, sea trial costs, significant rebuild expenditure incurred during the life of the asset and financing costs incurred during the construction period of vessels. Costs for other items of property, vessels and equipment include expenditure that is directly attributable to the acquisition of the asset. When parts of an item of property, vessels and equipment have different useful lives, they are accounted for as separate items of property, vessel and equipment.

(b) Subsequent expenditure

Expenditure incurred to replace a component of an item of property, vessels and equipment that is accounted for separately, including major inspection and overhaul expenditure is capitalised. Other subsequent expenditure is

capitalised only when it increases the future economic benefits embodied in property, vessels and equipment. All other expenditure is recognised in the statement of comprehensive income as an expense as incurred. Costs incurred to refurbish owned assets are capitalised within property, vessels and equipment and then depreciated over the shorter of the estimated economic life of the related refurbishment or the remaining life of the vessel.

(c) Depreciation

Depreciation is charged to the statement of comprehensive income on a straight line basis over the estimated useful lives of items of property, vessels and equipment. The estimated useful lives are as follows:

	Years
Vessels	20 to 30
Dry docking costs	2½ to 5
Computer equipment	3
Motor vehicles	3
Furniture and fixtures	3
Buildings	50

The depreciation period for second-hand vessels is determined on the basis of the condition and age of the vessels at the time of acquisition, but the depreciation period does not exceed 25 years from delivery from the shipyard.

(d) Assets under construction

Assets under construction is stated at cost and comprises all costs including borrowing costs directly attributable to bringing the assets under construction ready for their intended use. Assets under construction is transferred to property, vessels and equipment at cost on completion. No depreciation is charged on Assets under construction.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3 Summary of material accounting policies (continued)

3.2 Property, vessels and equipment (continued)

(e) Dry docking costs

The expenditure incurred on vessel dry docking, a component of property, vessels and equipment, is amortised over the period from the date of dry docking to the date on which the management estimates that the next dry docking is due which is generally between two and half to five years.

Any gain or loss on disposal of an item of property, vessels and equipment is recognised in the consolidated statement of profit or loss.

3.3 Leases

(a) Group as a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate. To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract.

The lease term is considered to be the non-cancellable period for which the Group has the right to use an underlying asset. The lease term is adjusted for periods covered by an option to extend; if it is reasonably certain that the option will be exercised as well as periods covered by an option to terminate the lease; if it is reasonably certain that the option will not be exercised.

3 Summary of material accounting policies (continued)

3.3 Leases (continued)

(b) Group as a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease. If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight line basis over the lease term as part of charter hire income.

3.4 Non-current assets (or disposal groups) classified as held-for-sale

Non-current assets (or disposal groups) are classified as assets held-for-sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and their fair value less costs to sell.

3.5 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined applying the first-in, first-out and the average cost methods for bunker oil and lubricant oil respectively and includes all costs incurred in acquiring and bringing them to their present location and condition. Provision is made for slow moving and obsolete inventory items where necessary, based on management's assessment. Net realisable value is based on estimated selling price less any further costs expected to be incurred on completion and disposal.

3.6 Financial instruments

3.6.1 Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI), or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

3 Summary of material accounting policies (continued)

3.6 Financial instruments (continued)

3.6.1 Classification (continued)

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Classification of financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVOCI) comprise:

- Equity securities which are not held for trading, and which the Company has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Company considers this classification to be more relevant.
- Debt securities where the contractual cash flows are solely principal and interest and the objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets.

3.6.2 Recognition

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

3.6.3 Derecognition

a) Derecognition of financial assets:

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its consolidated statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

b) Derecognition of financial liabilities:

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

3.6.4 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

3 Summary of material accounting policies (continued)

3.6 Financial instruments (continued)

3.6.4 Measurement (continued)

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

3.6.5 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.6.6 Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3 Summary of material accounting policies (continued)

3.6 Financial instruments (continued)

3.6.6 Impairment of financial assets (continued)

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

3.6.7 Measurement of ECLs

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk. Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments.

3.7 Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges)
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as ‘held for trading’ for accounting purposes and are accounted for at fair value through profit or loss.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity.

The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance cost at the same time as the interest expense on the hedged borrowings.

3 Summary of material accounting policies (continued)

3.7 Derivatives and hedging activities (continued)

Cash flow hedges that qualify for hedge accounting (continued)

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss. The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses, are recognised in the statement of comprehensive income.

3.8 Impairment of non-financial assets

The recoverable amount of an asset or its cash generating unit is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit).

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.9 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Gains and losses on measurement of transactions with shareholders are recognised in equity.

As at previous year end, the advance received from shareholders in respect of issuance of ordinary shares and not registered with Ministry of Commerce and Industry is classified as share capital pending registration.

3.10 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

3.11 Dividend distribution

Dividends are recognised as a liability in the year in which they are approved by the Group's shareholders.

3.12 Provisions

A provision is recognised in the statement of financial position when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefit will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liabilities.

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3 Summary of material accounting policies (continued)

3.13 Employees' end of service benefits

End-of-service benefits are accrued in accordance with the terms of employment of the Group's employees at the reporting date, having regard to the requirements of the Oman Labour Law of 2023 applicable to non-Omani employees accumulated period of service at the end of the reporting period. Employee entitlements to annual leave are recognized when they accrue to employees and an accrual is made for the estimated liability for annual leave as a result of services up to the reporting date. The accrual relating to annual leave and leave passage is disclosed as a current liability, while that relating to end-of-service benefits is disclosed as a non-current liability.

Contributions to a defined contribution retirement plan for Omani employees in accordance with the Omani Social Insurance Law of 1991 are recognized as an expense in the statement of comprehensive income as incurred.

3.14 Interest expense and income

Interest expense on borrowings is calculated using the effective interest rate method. Financing costs are recognised as an expense in the statement of comprehensive income in the period in which they are incurred.

Borrowing costs comprise interest payable on borrowings. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. All other borrowing costs are recognised as an expense in the year in which they are incurred.

Interest income is recognised in the statement of comprehensive income as it accrues, taking into account the effective yield on the asset.

3.15 Income tax

Income tax is provided for in accordance with the fiscal regulations of the country in which the Group operates.

Income tax on the profit or loss for the year comprises current and deferred taxation. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in the equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the liability method, providing for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is calculated on the basis of the tax rates that are expected to apply to the year when the asset is realised or the liability is settled based on tax rates (and tax laws) that have been enacted or substantially enacted by the reporting date. The tax effects on the temporary differences are disclosed under non-current liabilities or non-current assets depending on the nature of the temporary difference.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. The carrying amount of deferred tax assets is reviewed at reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The assessment regarding adequacy of tax liability for open tax year relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3 Summary of material accounting policies (continued)

3.16 Foreign currency

The functional currency of the individual entities is the United States Dollar. As at the reporting date, the assets and liabilities of these entities are translated into the presentation currency of the Group (the Rial Omani) at the rate of exchange ruling at the reporting date and their income statements are translated at the weighted average exchange rates for the year.

Transactions denominated in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate ruling at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in functional currency at the beginning of the year, adjusted for effective interest and payments during the year and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in statement of comprehensive income except for differences arising in retranslation of a financial liability designated as a hedge of the net investment in a foreign operation, or qualifying cash flow hedges, to the extent these hedges are effective, which are recognised in other comprehensive income.

3.17 Value added taxes

The Company recognises Value Added Tax in line with the rules and regulations set out in the VAT law set out by the Tax Authority of the Sultanate of Oman. The law requires all sales, supplies, services and consumptions within Oman eligible to 5% VAT. The sales, supplies, services, and consumptions outside Oman are subject to zero percent VAT. Revenue, expenses, assets and liabilities are recognised net of the amount of VAT, except where the VAT incurred on the purchase of assets or services is not recoverable from the tax authorities, in which case the VAT is recognised as part of the cost of acquisition of assets or as part of the expense item as applicable.

3.18 Revenue recognition

(a) Revenue from contract with customers

The Group enters into following contracts with customers:

- Freight services – A voyage charter is the hiring of a vessel for a single voyage or consecutive journeys from the named port of loading to the port of destination.
- Charter hire services– Charter income is earned for the vessels provided on time charter.
- Operation and maintenance services of vessels – Services provided for operation and maintenance of leased vessels.
- Vessel management services – It is a contract for providing crew management and ship maintenance management services to vessels chartered by the Group.

The revenue from contracts with customers has been disaggregated based on the type of service rendered as explained above. The Group disaggregates the revenue in the same manner while evaluating its financial performance.

Information about the Group's contracts is summarised below:

(i) Freight services

Contract for a voyage charter consists of a single performance obligation to provide the charterer with an integrated transportation service within a specified time period. The contract meets the criteria to recognize revenue over time because the charterer simultaneously receives and consumes the benefits of the Group's performance.

3 Summary of material accounting policies (continued)

3.18 Revenue recognition (continued)

(a) Revenue from contract with customers (continued)

(i) Freight services (continued)

The Group uses the input method to measure the Group's progress towards satisfaction of performance obligations. The input method requires the Group to recognise revenue rateably over the estimated length of each voyage, calculated on a load-to-discharge basis. The revenue is recognised from the point of disconnection of hoses at the load port to the point of disconnection of hoses at the discharge port. The selected input method depicts the Group's performance towards complete satisfaction of the performance obligations since the duration of voyage can be estimated reasonably and it corresponds directly with the value to the customer of Group's performance completed to date.

Invoicing is as per transaction price (freight rate) agreed in the contract. The payment terms are short term in nature and accordingly, transaction price does not contain any significant financing component. Variable consideration which includes items such as demurrage/dispatch, speed bunker differentials, and storage revenue is included in transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Accumulated experience is used to estimate variable consideration using the expected value method.

The Group recognise a contract asset for services provided over time. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer, which is generally raised upon complete satisfaction of performance obligation. The payment is due within 30 days from the date of invoice, Advances received are included in contract liabilities. Discounts are not considered as they are only given in rare circumstances and are never material.

Voyage expenses are capitalized between the previous discharge port, or contract date if later, and the next load port if they qualify as fulfilment costs under IFRS 15. The Group does not commence capitalisation of voyage expenses until a voyage charter has been agreed to by both the Group and the customer, even if the vessel has discharged its cargo and is sailing to the anticipated load port on its next voyage.

To recognize costs incurred to fulfil a contract as an asset, the following criteria shall be met: (i) the costs relate directly to the contract, (ii) the costs generate or enhance resources of the entity that will be used in satisfying performance obligations in the future and (iii) the costs are expected to be recovered. These costs which include, bunker charges, port costs, and commission expenses, are amortized between load port and discharge port since it is consistent with the transfer to the customer of the services.

No significant element of financing is deemed present as sales are made with a credit term of 30-60 days, which is consistent with market practice. Revenue from sales is recognised based on the price specified in the contract. Variable consideration is included in transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Accumulated experience is used to estimate variable consideration using the expected value method.

(ii) Operation and maintenance services

Operational and maintenance services pertains to the crew services and repairs-maintenance services for the vessels chartered. The performance obligation relating to such service element is satisfied overtime since the customer simultaneously receives and consumes the benefits of the Group's performance as the Group performs.

Revenue for the services is recognised for the amount to which the Group has right to invoice for the period, since the invoice amount corresponds directly with the value to the customer of the entity's performance completed to date. Receivable from the customer is booked at the same time when the consideration is unconditional, because only the passage of time is required before the payment is due. The invoice is raised on a monthly basis and is payable within 3 to 5 days from the date of receipt of invoice by the customer. The Group does not adjust the transaction price for time value of money as the period between the transfer of the promised goods or services to the customer and payment by the customer does not exceed one year and the sales are made with agreed credit terms which is in line with the relevant industry practice.

3 Summary of material accounting policies (continued)

3.18 Revenue recognition (continued)

(a) Revenue from contract with customers (continued)

(iii) Charter hire

Charter hire income pertains to the charter provided to the customers for specified time period. The performance obligation relating to such service element is satisfied overtime since the customer simultaneously receives and consumes the benefits of the Group's performance as the Group performs.

(iv) Vessel management services

The Group provides crew management and ship maintenance management services to vessels chartered by the Group. The contracts gives rise to a single performance obligations namely vessel management services. The performance obligation relating to such service is satisfied overtime since the customer simultaneously receives and consumes the benefits of the Group's performance.

Revenue for the services is recognised for the amount to which the Group has right to invoice for the period, since the invoice amount corresponds directly with the value to the customer of the entity's performance completed to date. Receivable from the customer is booked at the same time when the consideration is unconditional, because only the passage of time is required before the payment is due. The invoice is raised on a monthly basis and is payable within 3 to 5 days from the date of receipt of invoice by the customer. The Group does not adjust the transaction price for time value of money as the period between the transfer of the promised goods or services to the customer and payment by the customer does not exceed one year and the sales are made with agreed credit terms which is in line with the relevant industry practice.

(b) Dividend

Dividend income is recognised when the right to receive the dividend is established.

(c) Interest income

Interest income on financial assets at amortised cost and financial assets at FVOCI calculated using the effective interest method is recognised in the statement of profit or loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

3.19 Loans and borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3 Summary of material accounting policies (continued)

3.20 Determination of fair values

Certain of the Group's accounting policies and disclosures require the determination of fair value, for financial assets at fair value through other comprehensive income (FVOCI), financial assets at fair value through profit or loss (FVPL), financial liabilities, derivatives and for non-financial assets and liabilities. The fair values have been determined for measurement and/or disclosure purposes.

Financial assets at FVOCI represent investment in unquoted security. At the reporting date, the Group did not hold any financial asset at FVPL. Financial liabilities consist of trade and other payables, interest bearing loans and borrowings, bank overdrafts and vessel deposits. Derivatives consist of interest rate swap agreements.

When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to the asset or liability.

The group's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(a) Investments

For investments traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the reporting date (Level 1).

For unquoted investments, a reasonable estimate of the fair value is determined by reference to the market value of a similar investment or is based on other observable inputs (Level 2). The fair value for certain unquoted investments are classified as level 3 in the fair value hierarchy due to the use of unobservable inputs, including own credit risk. (Level 3).

(b) Other interest bearing items

The fair value of interest-bearing items is estimated based on discounted cash flows using market interest rates for items with similar terms and risk characteristics (Level 2).

(c) Trade and other receivables

The fair value of trade and other receivables including cash and bank balances approximates to their carrying amount due to their short-term maturity.

(d) Derivatives

The fair value of interest rate swaps is calculated by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date. This calculation is tested for reasonableness through comparison with the valuations received from the parties issuing the instruments (Level 2).

3 Summary of material accounting policies (continued)

3.20 Determination of fair values (continued)

(e) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. (Level 2).

3.21 Common control transactions

Transactions involving entities under common control where the transaction has substance are accounted for using the acquisition method. For transactions involving entities under common control where the transaction does not have any substance, the Group adopts the pooling of interests method. Under the pooling of interests method, the carrying value of assets and liabilities in the books of the transferor (as adjusted to comply with Group accounting policies), are used to account for these transactions. The relevant book value is the carrying amount of the investee in the separate financial statements of the transferor. No goodwill is recognised as a result of the transfer. The only goodwill recognised is any existing goodwill relating to either of the combining entities. Any difference between the consideration paid and the net assets acquired is reflected as 'merger reserve' within equity.

4 Financial risk management

The Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

4.1 Financial risk factors

(a) Market risk

Market risk is the risk that change in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(i) Foreign currency risk

The Group's functional currency is USD. Most of transactions are in USD, however the Group does have financial instruments in foreign currencies, therefore is exposed to currency risk, which is not hedged.

Financial assets at amortised cost	**Currency**	**2023 RO**	2022 RO	**Comment**
Loans receivable (note 10 (b))	Japanese Yen	**1,993,637**	2,136,776	If foreign currency were to shift by +/- 0.5% there will be a maximum change in the profit and equity for the year by RO 10,453 *(2022: RO 11,169)*

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Interest rate risk

Risk management strategy

The Group has obtained certain credit facilities from various international and local banks. These credit facilities bear interest at USD LIBOR plus applicable margins. To manage this, the Group entered into interest rate swaps, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. These hedging instruments are designated to hedge underlying debt obligations. The Group has also entered into interest rate collars, wherein the Group agrees to exchange, at specified intervals, the difference between the variable rate and the ceiling / floor rate (i.e when the variable rate breaches the ceiling / floor rate), calculated with reference to the agreed upon notional principal amount. The Group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the hedging instruments.

The Group enters into hedging instruments that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. As all critical terms matched during the year, the economic relationship was 100% effective. The Group applies hedge accounting to remove the accounting mismatch between the hedging instrument and the hedged item since all critical terms matched during the year and the economic relationship was 100% effective. This will effectively result in recognising interest expense at a fixed interest rate for the hedged floating rate loans.

Hedge ineffectiveness for hedging instruments may occur due to:

- the credit value/debit value adjustment on the hedging instruments which is not matched by the loan, and
- differences in critical terms between the interest rate swaps and loans.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

There was no ineffectiveness during 2023 or 2022 in relation to the interest rate swaps.

The Group's bank deposits carry fixed rates of interest and therefore, are not exposed to interest rate risk. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group long-term debt obligations with floating interest rates.

At 31 December 2023, after taking into account the effect of hedging instruments, 20.12% *(2022 – 35.13%)* of the Groups' total borrowings are at a fixed rate of interest. For the borrowings that are not hedged, if the interest rates on borrowings were to shift by +/- 0.5% there would be a maximum change in the profit for the year by RO 1,916,480 *(2022 - RO 1,793,815).*

The effects of the interest rate swaps on the Group's financial position and performance are as follows:

	2023 **RO**	2022 RO
Carrying amount of liability hedged	**99,192,607**	196,334,387
Notional amount	**99,192,607**	196,334,387
Maturity period	**5-10 years**	5 – 10 years
Hedge ratio (holding all other variables constant)	**100%**	100%
Change in fair value of outstanding hedging instruments since 1 January	**(7,129,185)**	14,455,792
Change in value of hedged item used to determine hedge effectiveness	**7,129,185**	(14,455,792)
Weighted average hedged rate for the year	**2.45%**	1.92%

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

Adoption of amendments to IFRS 9 and IFRS 7 Interest Rate Benchmark Reform

In July 2017, the United Kingdom Financial Conduct Authority ('FCA'), which regulates the London Interbank Offered Rate ('LIBOR'), announced that the interest benchmark would cease after 2023. LIBOR is one of the most common series of benchmark interest rates.

As part of the Group's risk management strategy, the Group uses financial instruments to manage exposures arising from variation of interest rates that could affect profit or loss or other comprehensive income and applies hedge accounting to these instruments.

These financial instruments are referenced to SOFR. Refer note 15 to the consolidated financial statements for nominal value and details of derivative contracts under hedging arrangements.

The Group has early adopted the Interest Rate Benchmark Reform amendment to IFRS 9 and IFRS 7 issued in September 2019. The amendments provide temporary relief from applying specific hedge accounting requirements to hedging relationships directly affected by SOFR reform. The reliefs have the effect that SOFR reform should not generally cause hedge accounting to terminate.

In calculating the change in fair value attributable to the hedged risk of term loan, the Group has made the following assumptions that reflect its current expectations:

- The floating-rate debt will move to the benchmark adopted during 2023, and the spread will be similar to the spread included in the interest rate swap used as the hedging instrument;
- No other changes to the terms of the term loan are anticipated; and
- The Group has incorporated the uncertainty over when the floating-rate debt will move to new adopted benchmark, the resulting adjustment to the spread, and the other aspects of the reform that have not yet been finalised by adding an additional spread to the discount rate used in the calculation.

(b) Price risk

As at 31 December 2023, the Group is not materially exposed to price risk as the financial assets at fair value through other comprehensive income (FVOCI) represents an unquoted investment of immaterial value.

The market price of bunker is generally linked to the price of crude oil, and any increase in bunker prices has a negative impact on earnings for the Group. If the price of fuel had increased or decreased by hundred Baisa would lead to an impact of RO 430,605 *(2022: RO 707,578)* on profit and retained earnings. The Group operates a fleet of approximately 52 vessels *(2022: 44 vessels)* on spot market wherein it incurs the bunker cost. These vessels contribute 37% of the Group's revenue *(2022: 43%)* and the fuel consumption amounts during current year amounts to RO 43.061 million *(2022 – RO 70.758 million)*. The remaining revenue is from vessels operating on time charters or contract of affreightment wherein the bunker is the responsibility of the charterer.

(c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligation and arises principally from Group's receivables, contract assets, and financial assets at amortised cost.

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost and at fair value through other comprehensive income (FVOCI), favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to outstanding receivables and contract assets.

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

(c) Credit risk (continued)

The Group seeks to limit its credit risk with respect to its finance lease receivables, trade receivables and contract assets by monitoring outstanding receivable balances. The Group has a policy to deal only with credit worthy counter parties. If the customer independently rated, these ratings are used. Otherwise, if there is no independent rating, the Group assesses the credit quality of the customer, taking into account its financial position, past experiences, and other factors.

With respect to credit risk arising from the other financial assets of the Group, including cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Group limits its credit risk with regard to bank deposits by only dealing with banks with high credit rating. The Group also assesses the credit quality of the companies to whom loans have been advanced taking into account their financial position, past experience and other factors.

Concentration of credit risk arises when a number of counter-parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location. The Group has significant concentrations of credit risk with financial assets at amortised cost, details of which are provided in the note below.

The Group evaluates the credit worthiness and business outlook of its customers and specifically those with significant finance lease receivable on periodic basis and makes appropriate provisions, where necessary.

Major classification of financial assets as at 31 December is as follows:

	2023		2022	
	RO	**%**	RO	%
Trade and other receivables	**13,543,633**	**4**	19,416,965	6
Contract assets	**2,418,200**	**1**	8,450,965	3
Other financial assets at amortized cost	**4,224,136**	**1**	4,670,812	2
Cash and cash equivalents	**51,996,653**	**16**	50,368,738	16
Fixed term and margin deposits	**123,806,285**	**37**	79,275,630	26
Financial assets at amortised cost	**138,780,742**	**41**	145,831,326	47
	334,769,649	**100**	308,014,436	100

Credit risk	**2023**	2022	**Comments**
	RO	RO	
Trade and other receivables	**13,543,633**	19,416,965	The Group has strong counterparties with good reputations and strong financial performance.
Contract assets	**2,418,200**	8,450,965	
Other financial assets at amortised cost	**4,224,136**	4,670,812	
Cash and cash equivalents	**51,996,653**	50,368,738	The Group liquidity is strictly placed with financial institution having strong credit rating or classified as systemically important financial institutions supported by Oman government.
Fixed term and margin deposits	**123,806,285**	79,275,630	
Financial assets at amortised cost	**138,780,742**	145,831,326	Refer note 10 for details

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

(c) Credit risk (continued)

Gross carrying amount of financial assets by risk rating grades:

	Rating	**2023 RO**	2022 RO
Abu Dhabi Islamic Bank	**A1**	**1,052,885**	549,173
Bank Nizwa SAOG	**Ba1**	**15,824,340**	470,212
Alizz Islamic Bank SAOC	**Ba1**	**9,959,575**	73
Ahli Bank SAOG	**A2**	**237,474**	162,494
Ahli United Bank KSCP	**A2**	**3,251**	126
Oman Arab Bank SAOC	**Ba1**	**19,548,486**	158,978
Sohar International SAOG	**Ba1**	**6,037,362**	33,475,049
Sohar Islamic	**Ba3**	**16,073,534**	443
Bank Muscat SAOG	**Ba1**	**15,387,136**	15,185,896
Societe General Bank	**A1**	**15,269,923**	11,856,960
First Abu Dhabi Bank - Oman Region	**Aa3**	**2,938**	18,097,940
Meethaq Islamic Banking - Corporate Banking	**Ba3**	**92,901**	3,286,245
Citi Bank NA (London Branch)	**-**	**-**	1,088,026
Gulf International Bank BSC	**A3**	**100,332**	522,708
Mashreq Bank PSC	**Baa1**	**196,255**	2,612,957
Sumitomo Mitsui Banking Corporation	**A1**	**7,138,053**	4,709,660
Muzn Islamic Banking	**Ba3**	**8,063,024**	2,048,149
Standard Chartered Bank	**A1**	**14,519,706**	6,260,784
Qatar National Bank	**Aa3**	**11,989,407**	12,343,380
J.P. Morgan	**Aa1**	**1,392,570**	2,973,197
Al Misarah Islamic banking	**Ba3**	**11,557,508**	-
Bank Dhofar SAOG	**Ba1**	**19,299,194**	13,841,919
Oman Housing Bank	**-**	**2,057,084**	-
Bank balances		**175,802,938**	129,644,369
OJV Cayman 3 Limited	Unrated	**1,993,637**	2,136,776
Al-Musanah Maritime Transportation Company S.A.	Unrated	**5,553,038**	5,497,800
Vale International SA	Ba1	**131,234,067**	138,196,750
Financial assets at amortised cost		**138,780,742**	145,831,326

The stated rating is as per the global bank ratings by Moody's Investors Service. Although certain banks were unrated or not prime, management does not foresee any credit risk.

Geographic concentration of credit risk for all financial assets:

	2023 RO	2022 RO
Gulf Cooperation Council (GCC)	**149,809,975**	112,570,377
Other than GCC	**184,959,674**	195,444,059
	334,769,649	308,014,436

At 31 December, the ageing of trade receivables that was as follows:

	2023 RO	2022 RO
Not due	**3,323,679**	4,684,646
1-90 days past due	**7,362,348**	11,428,326
Above 91 days past due	**2,857,606**	3,303,994
	13,543,633	19,416,965

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

(d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and liquid instruments, and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Group had cash and cash equivalents [note 10 (f)] of RO 51,996,653 *(2022 – RO 50,368,738)* that are expected to readily generate cash inflows for managing liquidity risk. Due to the dynamic nature of the underlying businesses, group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the group's liquidity reserve (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at central level in accordance with practice and limits set by the group.

Financing arrangements

The Group had access to the undrawn borrowing facilities of RO 15,200,00 *(2022 – RO 15,400,000)* at the end of the reporting period.

		Contractual cash flows			
	Carrying amount RO	**Less than 1 year RO**	**1 to 5 years RO**	**More than 5 years RO**	**Total RO**
At 31 December 2023					
Non- derivative financial liabilities					
Trade and other payables	**32,856,000**	**32,856,000**	**-**	**-**	**32,856,000**
Loans and borrowings	**497,894,222**	**85,136,688**	**247,612,003**	**333,023,513**	**665,772,204**
Bank overdraft	**8,235,113**	**8,235,113**	**-**	**-**	**8,235,113**
Lease liabilities	**160,576,205**	**89,774,738**	**83,161,687**	**66,960**	**173,003,385**
	699,561,540	**216,002,539**	**330,773,690**	**333,090,473**	**879,866,702**

		Contractual cash flows			
	Carrying amount RO	Less than 1 year RO	1 to 5 years RO	More than 5 years RO	Total RO
At 31 December 2022					
Non- derivative financial liabilities					
Trade and other payables	19,350,076	19,350,076	-	-	19,350,076
Loans and borrowings	560,397,385	69,253,807	269,984,347	328,341,149	667,579,303
Bank overdraft	39,676	39,676	-	-	39,676
Lease liabilities	91,092,327	35,532,585	62,841,240	69,120	98,442,945
	670,879,464	124,176,144	332,825,587	328,410,269	785,412,000

* Trade and other payables exclude accrued expenses.

The maturity profile of derivative financial instruments is given in note 15.

4.2 Capital risk management

The Group's objectives when managing capital is to safeguard the Group's ability to continue as a going concern, so that it can generate returns for members and benefits for other stakeholders.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to members, return capital to members, issue new shares, or sell assets.

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4 Financial risk management (continued)

4.2 Capital risk management (continued)

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio (debt to total equity)

	2023 RO	2022 RO
Debt*	**666,705,540**	654,120,142
Total equity	**443,844,528**	453,724,256
Debt to total equity ratio (times)	**1.502**	1.442

* Debt includes term loans, loans from commercial banks, lease liabilities and excludes the deferred finance cost.

5 Use of judgements and estimates

5.1 Judgements

In the process of applying the Group's accounting policies, management has made the following significant judgements, apart from those involving estimations, which have the most significant effect in the amounts recognised in the financial statements:

(a) Functional currency

Management believe that using USD as functional currency realistically represents the economic substance of the underlying transactions, events and conditions. The factors determining the functional currency are the currencies of the functions. All the Group's sales are in USD. Most of the Group's expenses and finances are dominated in USD. The payroll is incurred in RO and some of the Group's finances are denominated in RO; however the amounts involved are insignificant and most of the functions are dominated in USD, therefore the functional currency is USD.

(b) Determination of cash generating unit

Management has assessed the entire fleet of a specific category of vessel as a single CGU. Among other things, the judgement effects on which basis an impairment test is performed. The CGUs are considered to be the VLCC fleet and the Dry bulk fleet. When determining that the fleet of vessel forms one single CGU, Management has considered the degree of interdependency between the vessels operating in the fleet in respect of commercial decisions, operating synergies and financial efficiencies. Management has concluded that the interdependency is of such extent that the cash inflows are not largely independent from each other and that, consequently, the entire fleet forms one CGU. When determining that the CGU is not at a lower level than the vessel fleet, Management has attached importance to the fact that fleet is managed as a portfolio, where revenue is shared on a pool basis and the vessels in the fleet as well as the cashflows are largely interchangeable.

5.2 Estimates and assumptions

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5 Critical accounting estimates and judgements (continued)

5.2 Estimates and assumptions (continued)

(a) Impairment of financial assets at amortised cost

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses estimates in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's historical experience, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the note 10(h).

At the reporting date, gross trade accounts receivable were RO 13.544 million *(2022 – RO 19.417million)* and the impairment provision was RO 0.780 million *(2022 - RO 0.898 million)*. Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the statement of comprehensive income.

(b) Useful lives of property, vessels and equipment

The useful lives, residual values and methods of depreciation of property, vessel and equipment are reviewed, and adjusted if appropriate, at each financial year end. In the review process, the Group takes guidance from recent acquisitions, as well as market and industry trends. In accordance with its policy, the Group reviews the estimated useful lives and residual values of its property, vessel and equipment on an ongoing basis.

The impact on subsequent accounting periods of extending the useful lives of these assets will depend on acquisition of new of assets within the categories concerned. Accordingly, no specific forecasts can be made in respect of future periods.

(c) Impairment of vessels

The Group determines whether its non-financial assets are impaired when there are indicators of impairment as defined in IAS 36. This requires an estimation of the value-in-use of the cash-generating uni' ('the 'GU'), which constitutes the carrying value of the fleet of vessels (including vessel components) as at 31 December 2023. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

As a consequence of ongoing volatility in freight rates during 2023, the carrying value of the Group's VLCC fleet CGUs, container fleet CGUs and leased container vessels CGUs have been assessed for impairment. As of 31 December 2023, management performed an impairment test of the recoverable amount of Group's leased container vessels and the carrying value of the 4 CGUs exceeded by RO 22.33 million resulting in impairment.

The Group uses freight rate estimates based on 10-year historical average rates whereas in case of container business since, the Group do not have past 10 years container business history and considering volatility, the Group has used average market rates (considering both past and future prospects worst and best case scenarios) obtained from reputable brokers (i.e., MSI Horizon Services, MB Ship Brokers & Braemar).

The carrying value of the VLCC and container fleet CGUs as at 31 December 2023 was RO 304.019 million *(2022 - RO 359.679 million).*

The assessment of the value in use of the VLCC and container fleet CGUs was based on the net present value of the expected future cash flows. The freight rate estimates are based on 10-year historical average rates and are consistent with the Gr'up's business plans. The Group believes that the approach used for long-term rates appropriately reflects the cyclical nature of the shipping industry and is the most reliable estimate for the periods considered in the assessment. The Group's assessment also considers the anticipated benefit arising from the installation of scrubbers on certain of the Group's VLCC fleet (the "scrubber premium"), based on current market differentials between the cost of heavy and low sulfur fuel oil. It has been assumed that this cost differential will prevail for the next four years.

The Operating expenses and administrative expenses are adjusted for 2.75% per annum. The discount rate used in the value in use calculation is based on a Weighted Average Cost of Capital (WACC) of 12.2% as of 31 December 2023 *(2022: 10.7%)* . WACC is calculated by using a standard WACC model in which cost of equity, cost of debt and capital structure are the key parameters.

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5 Critical accounting estimates and judgements (continued)

5.2 Estimates and assumptions (continued)

(c) Impairment of vessels (continued)

As of 31 December 2023, the 10-year historical average spot freight rates used in the value in use calculation are as follows:

- VLCC fleet: USD/day 31,557 (consisting of 15 VLCC's with DWT 300,000-325,000)
- Container fleet: USD/day 21,911 & 23,805 (consisting of 2 container ships with TEUs 500 -4200)

The vessels are expected to generate normal income for the entire duration of their useful life from the date of delivery from the shipyard. Given the current age profile of the underlying vessels, the average remaining life would be 8 years to 18 years for the VLCC fleet and 10 years to 12 years for the container fleet. The Group has used forecasted cashflows for the average remaining life for the VLCC and container fleet. The calculation of the value in use is sensitive to changes in the key assumptions which are related to the future development in freight rates, the WACC applied as discounting factor in the calculations, the development in operating expenses and the long-term scrubber premium.

All other things being equal, the sensitivities to the value in use have been assessed as follows:

- An increase/decrease in the freight rates of USD 1,000 per day would result in an increase in the value in use of RO 13.93 million in the VLCC and container fleet;
- An increase in WACC of 1% would result in a decrease in the value in use of RO 17.98 million. Furthermore, a decrease in WACC of 1% would result in an increase in the value in use of RO 19.62 million.
- An increase in inflation of 1 % would result in an increase in the value in use of RO 0.998 million. A decrease in inflation of 1% would result in a decrease in the value in use of RO 0.944 million.
- An increase/decrease in the long-term scrubber premium related to the VLCC fleet to 25% of the amount assumed would result in an increase/decrease in the value in use of RO 0.933 million.

As outlined above, the impairment test has been prepared on the basis that the Group will continue to operate its vessels as a fleet in the current set-up.

The Fair value was derived from the Clarksons' Shipping Weekly Report and adjusted for the age of the vessel.

The recoverable value is the higher of fair value less costs to sell for the VLCC and container fleet was RO 468.333 million or the value in use of RO 335.486 million. The recoverable value is RO 468.333 million higher than the carrying value of RO 358.890 million, hence no impairment is charged in the current year.

6 Investment in subsidiaries

The Group has investments in the following subsidiaries:

(i) This subsidiary is a closed joint stock company engaged in hiring and chartering vessels.

(ii) This subsidiary is a closed joint stock company engaged in providing ship management services.

(iii) These subsidiaries are limited liability companies engaged in owning and operating liquefied natural gas tankers, which are operating on long term time charters.

(iv) These subsidiaries are limited liability companies engaged in owning and operating product tankers, which are operating on long-term time charter contracts.

(v) These companies own Very Large Crude Carriers (VLCCs) which are currently being operated in spot market.

(vi) These subsidiaries are formed in accordance with the Group's arrangement with a customer for chartering out four very large ore carriers (VLOC) on long-term time charter.

(vii) This subsidiary is a limited liability company engaged in container business.

(viii) These subsidiaries were formed in accordance with the Group's arrangement with a customer to provide ten Medium Range ("MR 2") vessels which will be chartered to the customer for 7 years extendable further for 3 years.

(ix) These subsidiaries are limited liability companies engaged in owning and operating bulk carriers, which are being operated in spot market.

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6 Investment in subsidiaries (continued)

Company name	**Note reference**	**Country of incorporation**	**% Holding 2023**	% Holding 2022
Oman Charter Company SAOC	(i)	Sultanate of Oman	99.99%	99.99%
Oman Ship Management Company SAOC	(ii)	Sultanate of Oman	99.99%	99.99%
Areej LNG Carrier S.A	(iii)	Republic of Panama	80%	80%
Tiwi LNG Carrier S.A	(iii)	Republic of Panama	80%	80%
Adam Maritime Transportation Company	(iii)	Marshall Islands	100%	100%
Dune LNG Carrier S.A	(iii)	Republic of Panama	80%	80%
Oryx LNG Carrier S.A	(iii)	Republic of Panama	60%	60%
Masirah Maritime Transportation Co. S.A	(iv)	Republic of Panama	100%	100%
Matrah Transportation Co. S.A.	(iv)	Republic of Panama	100%	100%
Al Amerat Transportation Company S.A	(iv)	Republic of Panama	100%	100%
Seeb Maritime Transportation Company	(v)	Marshall Islands	100%	100%
As-Suwaiq Maritime Transportation Company	(v)	Marshall Islands	100%	100%
Thamreit Maritime Transportation Company Ltd.	(v)	Marshall Islands	100%	100%
Ezki Maritime Transportation Company	(v)	Marshall Islands	100%	100%
Buka Maritime Transportation Company	(v)	Marshall Islands	100%	100%
Sifa Maritime Transportation Company	(v)	Marshall Islands	-	100%
Fida Maritime Transportation Company	(v)	Marshall Islands	-	100%
Daba Maritime Transportation Company	(v)	Marshall Islands	100%	100%
Taqah Maritime Transportation Company	(v)	Marshall Islands	100%	100%
Vale Liwa Maritime Transportation Company S.A.	(vi)	Marshall Islands	100%	100%
Vale Sohar Maritime Transportation Company S.A.	(vi)	Marshall Islands	100%	100%
Vale Shinas Maritime Transportation Company S.A.	(vi)	Marshall Islands	100%	100%
Vale Saham Maritime Transportation Company S.A.	(vi)	Marshall Islands	100%	100%
Oman Container Line Inc.	(vii)	Republic of Panama	100%	100%
Saiq Maritime Transportation Company S.A. (Saiq)	(v)	Marshall Islands	100%	100%
Saham Maritime Transportation Company S.A.(Saham)	(v)	Marshall Islands	-	100%
Samail Maritime Transportation Company S.A. (Samail)	(v)	Marshall Islands	100%	100%
Muscat Silver Maritime Transportation Company S.A.	(viii)	Marshall Islands	100%	100%
Rustaq Silver Maritime Transportation Company S.A.	(viii)	Marshall Islands	100%	100%
Nakhal Silver Maritime Transportation Company S.A.	(viii)	Marshall Islands	100%	100%
Mahadah Silver Maritime Transportation Company S.A.	(viii)	Marshall Islands	100%	100%
Muhut Silver Maritime Transportation Company S.A.	(viii)	Marshall Islands	100%	100%
Yanqul Silver Maritime Transportation Company S.A.	(viii)	Marshall Islands	100%	100%
Dank Silver Maritime Transportation Company S.A.	(viii)	Marshall Islands	100%	100%
Madha Silver Maritime Transportation Company S.A.	(viii)	Marshall Islands	100%	100%
Sadah Silver Maritime Transportation Company S.A.	(viii)	Marshall Islands	100%	100%
Khasab Silver Maritime Transportation Company S.A.	(viii)	Marshall Islands	100%	100%
Jabal Al Misht Maritime Transportation Company Limited	(ix)	Marshall Islands	100%	100%
Jabal Shams Maritime Transportation Company Limited	(ix)	Marshall Islands	100%	100%
Dalkut Maritime Transportation Company Limited	(v)	Marshall Islands	100%	100%
Sur Maritime Transportation Company Limited	(v)	Marshall Islands	100%	100%
Bahla Maritime Transportation Company Limited	(v)	Marshall Islands	100%	100%
Jabl Samhan Maritime Transportation Company Limited	(ix)	Marshall Islands	100%	100%
Jabl Kawr Maritime Transportation Company Limited	(ix)	Marshall Islands	100%	100%
Jabl Hafit Maritime Transportation Compnay Limited	(ix)	Marshall Islands	100%	100%
Jabl Harim Maritime Transportation Company Limited	(ix)	Marshall Islands	100%	100%
Jabl Al Rawdah Maritime Transportation Company Limited	(ix)	Marshall Islands	100%	100%
Asyad Lines LLC	(vii)	Sultanate of Oman	100%	100%
Wadi Bani Khalid Maritime Transportation Company Limited	(vii)	Marshal Island	100%	100%
Asyad Shipping PTE. LTD	(i)	Singapore	100%	100%
Wadi Duka Maritime Transportation Company Limited	(ix)	Marshal Island	100%	-

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

7 Property, vessels and equipment

	Assets under construction* RO	Vessels and dry-docking costs RO	Computer equipment RO	Motor vehicles RO	Furniture and fixtures RO	Land and building RO	Total RO
Cost							
Balance at 1 January 2023	**5,049,817**	**1,240,416,407**	**1,159,719**	**30,096**	**881,494**	**7,485,921**	**1,255,023,454**
Additions	**42,697,776**	**22,564,009**	-	-	-	**1,880**	**65,263,665**
Disposals	-	**(132,794,783)**	-	-	-	-	**(132,794,783)**
Write off	-	-	-	-	-	-	-
Transfers	**(7,790,586)**	**7,790,586**	-	-	-	-	-
Balance at 31 December 2023	**39,957,007**	**1,137,976,219**	**1,159,719**	**30,096**	**881,494**	**7,487,801**	**1,187,492,336**
Accumulated depreciation							
Balance at 1 January 2023	-	**573,364,502**	**1,114,433**	**3,060**	**525,801**	**406,240**	**575,414,036**
Depreciation	-	**52,611,671**	**14,643**	**6,019**	**94,957**	**149,837**	**52,877,127**
Disposals	-	**(76,747,918)**	-	-	-	-	**(76,747,918)**
Adjustment	-	**(315,357)**	-	-	-	-	**(315,357)**
Balance at 31 December 2023	-	**548,912,898**	**1,129,076**	**9,079**	**620,758**	**556,077**	**551,227,888**
Carrying amounts							
At 31 December 2023	**39,957,007**	**589,063,321**	**30,643**	**21,017**	**260,736**	**6,931,724**	**636,264,448**
Cost							
Balance at 1 January 2022	2,059	1,364,742,650	1,132,576	68,468	834,594	7,301,442	1,374,081,789
Additions	5,047,758	11,568,276	27,143	30,096	46,900	184,479	16,904,652
Disposals	-	(130,809,899)	-	(25,000)	-	-	(130,834,899)
Write off	-	(5,084,620)	-	(43,468)	-	-	(5,128,088)
Balance at 31 December 2022	5,049,817	1,240,416,407	1,159,719	30,096	881,494	7,485,921	1,255,023,454
Accumulated depreciation							
Balance at 1 January 2022	-	597,426,410	1,065,097	68,468	443,959	259,097	599,263,031
Depreciation	-	56,523,467	49,336	3,060	81,842	147,143	56,804,848
Disposals	-	(79,060,976)	-	(25,000)	-	-	(79,085,976)
Write offs	-	(1,524,399)	-	(43,468)	-	-	(1,567,867)
Balance at 31 December 2022	-	573,364,502	1,114,433	3,060	525,801	406,240	575,414,036
Carrying amounts							
At 31 December 2022	5,049,817	667,051,905	45,286	27,036	355,693	7,079,681	679,609,418

7 Property, vessels and equipment (continued)

At 31 December 2023, vessels and dry-docking costs having carrying amount of RO 339,799,712 *(2022 – RO 427,267,933)* are pledged against borrowings availed by Group from banks. Details regarding the Group's obligations under its loan and its future commitments are set out in note 14.

*During 2023, the Group entered into a contract for the construction of two LNG vessels and costs incurred upto 31 December 2023 totalled RO 38,573,218 *(2022: Nil)*. Included in this amount are capitalised borrowing costs related to the construction of the two LNG vessels of RO 958,718 *(2022: Nil)*, calculated uisng a capitalisation rate of 4.37 percent.

Depreciation expense for the year is charged as follows:

	2023 RO	2022 RO
Vessel operating costs (note 23)	**52,611,671**	56,523,468
General and administrative expenses (note 25)	**265,455**	281,380
	52,877,126	56,804,848

8 Leases

The Group has entered into long-term charter contracts for leasing vessels, which it further engages in operations for generating revenue. It has also leased land and building for administrative purposes. The vessel lease contracts are typically entered into for a period of 2 to 15 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

These liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as at date of measurement which were between 2.75% and 7.5% *(2022: 2.75% to 7.5%)* at the date of initial adoption.

The Group is not exposed to any future cash-flows from variable lease terms or residual value guarantees that are not reflected in the measurement of lease liabilities. There are no extension or early termination options with respect to lease liabilities.

8.1 Right-of-use asset

The consolidated statements of financial position and profit or loss shows the following amounts relating to lease of right of use assets:

	Land RO	**Properties RO**	**Vessels RO**	**Total RO**
2023				
Balance at 1 January	**32,863**	**179,258**	**88,176,835**	**88,388,957**
Additions to right-of-use assets	**-**	**-**	**137,967,411**	**137,967,411**
Adjustments to right of use asset	**-**	**-**	**31,977**	**31,977**
Depreciation charge for the year	**(885)**	**(63,862)**	**(68,954,932)**	**(69,019,679)**
Impairment loss for the year	**-**	**-**	**(22,325,594)**	**(22,325,594)**
Balance at 31 December	**31,978**	**115,396**	**134,895,697**	**135,043,072**
2022				
Balance at 1 January	33,748	-	40,428,412	40,462,160
Additions to right-of-use assets	-	189,803	72,331,874	72,521,677
Adjustments to right of use assets	-	-	13,906	13,906
Depreciation charge for the year	(884)	(10,545)	(24,597,357)	(24,608,786)
Impairment loss for the year	-	-	-	-
Balance at 31 December	32,864	179,258	134,895,698	88,388,957

8 Leases (continued)

8.2 Movement in lease liabilities

	2023 RO	2022 RO
Balance at 1 January	**91,092,327**	42,098,705
Additions during the period	**137,967,411**	72,331,874
Adjustment to lease liabilities	**1,080,434**	482,291
Payments during the period	**(78,011,403)**	(26,681,401)
Interest expense for the period	**8,447,436**	2,860,858
Balance at 31 December	**160,576,205**	91,092,327

The current and non-current classification of lease liabilities as of the reporting date is as follows:

	2023 RO	2022 RO
Current lease liabilities	**84,438,257**	32,307,933
Non-Current lease liabilities	**76,137,948**	58,784,394
	160,576,205	91,092,327
Land	**35,563**	35,887
Vessels	**109,624,351**	90,876,267
Office	**50,916,291**	180,173
Total lease liabilities	**160,576,205**	91,092,327
Land	**341**	324
Vessels	**55,523,226**	32,247,655
Office	**28,914,690**	59,954
Total current portion of lease liabilities	**84,438,257**	32,307,933
Non-current portion of lease liabilities	**76,137,948**	58,784,394

8.3 Amounts recognised in profit or loss

	2023 RO	2022 RO
Depreciation charge for the year	**69,019,679**	24,608,786
Interest on lease liabilities	**8,447,436**	2,860,858

Analysis of depreciation charge for the year	**2023 RO**	2022 RO
Vessel operating costs (note 24)	**68,954,932**	24,597,357
General and administrative expenses (note 26)	**64,747**	11,429
	69,019,679	24,608,786

8.4 Amounts recognised in statement of cash flows

Total cash out flows for the leases		
- Interest portion	**8,447,436**	2,860,858
- Principal portion	**69,563,967**	23,820,543
	78,011,403	26,681,401

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

9 Equity-accounted investees

	2023 RO	2022 RO
Carrying amount of investments at 31 December		
Interest in joint venture	**24,225,986**	25,538,375

The following table illustrates summarised information of the Group's investment in joint ventures:

	Group's share of the joint ventures	
	2023 RO	2022 RO
Current assets	**11,674,415**	12,910,715
Non-current assets	**21,489,264**	24,662,351
Current liabilities	**(8,922,539)**	(5,506,618)
Non-current liabilities	**-**	(6,528,073)
Adjustment for fair value of cash hedges	**(15,154)**	-
Net assets	**24,225,986**	25,538,375
Share of revenue and profit:		
Revenue	**12,413,771**	14,698,753
Profit / (loss)	**997,611**	(6,777,233)
Carrying amount of investment	**24,225,986**	25,538,375

The following table illustrates summarised information of the joint ventures as included in their own management financial statements:

	Joint ventures	
	2023 RO	2022 RO
Current assets	**23,348,829**	25,821,430
Non-current assets	**42,978,527**	49,324,702
Current liabilities	**(17,845,077)**	(11,013,236)
Non-current liabilities	**-**	(13,056,146)
Net assets	**48,482,279**	51,076,750
Revenue	**24,827,541**	29,397,508
Profit / (loss)	**1,995,222**	(13,554,466)

The following table illustrates the movement of the Group investment in joint ventures:

	2023 RO	2022 RO
Balance at 1 January	**25,538,375**	33,316,442
Share of results of joint ventures	**997,611**	(6,777,233)
Changes in fair value of cash flow hedges	**-**	19,416
Dividends received	**(2,310,000)**	(1,020,250)
Balance at 31 December	**24,225,986**	25,538,375

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

9 Equity-accounted investees (continued)

Company name		**Country of incorporation**	**% Holding 2023**	% Holding 2022
Joint ventures				
Energy Spring LNG Carrier S.A.	i	Republic of Panama	**50**	50
Duqm Maritime Transportation Company S.A.	ii	Republic of Panama	**50**	50
Liwa Maritime Transportation Company S.A	iii	Republic of Panama	**50**	50
Haima Maritime Transportation Company S.A.	iv	Republic of Panama	**50**	50
Raysut Maritime Transportation Company S.A.	v	Republic of Panama	**50**	50
Al-Musanah Maritime Transportation Company S.A.	vi	Republic of Panama	**50**	50
Associate company				
Bakkah Shipping Company	vii	United Arab Emirates	**-**	25

(i) The company is a limited liability company and is engaged in operating a liquefied natural gas carrier. The Group's investment in the shares of the joint venture and the sponsor support agreement are assigned in favor of a lender to the joint venture against borrowing availed for financing the vessel.

(ii) On 29 November 2005, the Group along with Mitsui O.S.K. Lines formed a joint venture, Duqm Maritime Transportation Company S.A. for the primary purpose of acquiring, owning and operation of a crude oil tanker.

(iii) On 21 June 2005 the Group along with Mitsui O.S.K. Lines formed a joint venture, Liwa Maritime for the primary purpose of operating vessel chartering business.

(iv) On 23 June 2006 the Group along with Mitsui O.S.K. Lines formed a joint venture, Haima Maritime for the primary purpose of acquiring, owning and operating an LR2 tanker.

(v) On 23 June 2006, the Group along with Mitsui O.S.K. Lines formed a joint venture, Raysut Maritime for the primary purpose of acquiring, owning and operating an LR2 tanker.

(vi) On 23 June 2006, the Group along with Mitsui O.S.K. Lines formed a joint venture, Al Musanah Maritime for the primary purpose of acquiring, owning and operating an LPG carrier vessel.

The Group has granted certain loans to its joint ventures, the details of which are included in note 10(b). These loans are denominated in United States Dollar and are secured partly against the joint venture partner's equity interest in the related joint venture.

(vii) In 2008, the Group acquired 25% of shares in Bakkah Shipping Company, a private joint stock company registered with the Economic Development Department, Dubai, UAE. The company is no longer operational and the Group's share in the investment has been fully provided for. Further, there are no unrecognised share of losses in respect of the associate, since the associate is no longer operational.

In 2010, in view of continuous losses and the management's intention to dispose this investment, a provision for impairment was made for full value of the investment.

9 Equity-accounted investees (continued)

(a) Summarised financial information for joint ventures

Set out below is the summarised financial information for the joint ventures which are accounted for using the equity method.

Summarised statement of financial position:

2023	ENERGY RO	LIWA RO	RAYSUT RO	AL-MUSANAH RO	DUQM RO	HAIMA RO	TOTAL RO
ASSETS							
Non-current assets	10,785,725	-	8,694,936	14,963,609	-	8,534,257	42,978,527
Current assets							
- Cash and cash equivalents	3,384,647	2,068,008	935,770	3,424,260	207,984	467,515	10,488,184
- Other current assets	606,137	285,953	29,985	395,271	11,403,718	139,581	12,860,645
Total assets	14,776,509	2,353,961	9,660,691	18,783,140	11,611,702	9,141,353	66,327,356
EQUITY AND LIABILITIES							
Total equity	11,588,888	1,318,574	9,016,770	6,211,675	11,609,007	8,737,365	48,482,279
LIABILITIES							
Non-current liabilities							
- Financial liabilities (excluding trade payables)	-	-	-	-	-	-	-
- Other non-current liabilities	-	-	-	-	-	-	-
Current liabilities							
- Financial liabilities (excluding trade payables)	3,100,000	1,026,470	637,761	12,429,573	-	397,828	17,591,632
- Other current liabilities	87,620	8,917	6,162	141,891	2,695	6,160	253,445
Total liabilities	3,187,620	1,035,387	643,923	12,571,464	2,695	403,988	17,845,077
Total equity and liabilities	14,776,508	2,353,961	9,660,693	18,783,139	11,611,702	9,141,353	66,327,356

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9 Equity-accounted investees (continued)

(a) Summarised financial information for joint ventures (continued)

Summarised statement of profit or loss and other comprehensive income:

2023	**ENERGY RO**	**LIWA RO**	**RAYSUT RO**	**AL-MUSANAH RO**	**DUQM RO**	**HAIMA RO**	**TOTAL RO**
Charter hire	4,918,375	10,114,574	2,641,870	4,454,643	-	2,698,080	24,827,542
Operating costs	(2,146,377)	(9,865,596)	(1,056,793)	(1,444,065)	(13,847)	(1,117,039)	(15,643,717)
Depreciation	(1,851,442)	-	(1,181,587)	(2,062,094)	-	(1,311,522)	(6,406,645)
Operating profit/(loss)	920,556	248,978	403,490	948,484	(13,847)	269,519	2,777,180
Other non-operation income / (expenses)	-	(152)	(2,358)	(16,299)	(26,807)	(2,349)	(47,965)
Interest expense	(664)	-	(72,436)	(938,960)	-	(75,414)	(1,087,474)
Finance income	55,462	120	117	312	297,405	65	353,481
Net (loss)/profit	975,354	248,946	328,813	(6,463)	256,751	191,821	1,995,222

Reconciliation of summarised financial information:

2023	**ENERGY RO**	**LIWA RO**	**RAYSUT RO**	**AL-MUSANAH RO**	**DUQM RO**	**HAIMA RO**	**TOTAL RO**
Balance at 1 January	15,233,536	1,039,317	8,687,958	6,218,140	11,352,256	8,545,545	51,076,752
Profit for the year	975,354	248,946	328,813	(6,463)	256,751	191,821	1,995,222
Fair value adjustment		-	-	-	-	-	-
Dividend paid during the year	(4,620,000)	-	-	-	-	-	(4,620,000)
Balance at 31 December	11,588,891	1,288,263	9,016,771	6,211,677	11,609,007	8,737,366	48,451,974
Investment in joint ventures	50%	50%	50%	50%	50%	50%	50%
Carrying value	5,794,445	644,131	4,508,385	3,105,838	5,804,504	4,368,683	24,225,986

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9 Equity-accounted investees (continued)

(a) Summarised financial information for joint ventures (continued)

Set out below is the summarised financial information for the joint ventures which are accounted for using the equity method as at 31 December 2021.

Summarised statement of financial position:

2022	ENERGY RO	LIWA RO	RAYSUT RO	AL-MUSANAH RO	DUQM RO	HAIMA RO	TOTAL RO
ASSETS							
Non-current assets	12,577,950	-	9,878,398	17,023,452	40	9,844,862	49,324,702
Current assets							
- Cash and cash equivalents	5,108,608	1,635,931	1,246,820	2,476,969	11,511,819	560,797	22,540,944
- Other current assets	616,599	2,036,227	32,621	487,989	1,265	105,785	3,280,486
Total assets	18,303,157	3,672,158	11,157,839	19,988,410	11,513,124	10,511,444	75,146,133
EQUITY AND LIABILITIES							
Total equity	15,233,534	1,039,317	8,687,958	6,218,140	11,352,256	8,545,545	51,076,750
LIABILITIES							
Non-current liabilities							
- Financial liabilities (excluding trade payables)	-	-	376,790	12,304,600	-	374,756	13,056,146
- Other non-current liabilities	-	-	-	-	-	-	-
Current liabilities							
- Financial liabilities (excluding trade payables)	2,651,898	1,517,572	1,783,936	1,426,446	154,708	1,583,210	9,117,771
- Other current liabilities	417,725	1,115,269	309,155	39,224	6,160	7,933	1,895,466
Total liabilities	3,069,623	2,632,841	2,469,881	13,770,270	160,868	1,965,899	24,069,383
Total equity and liabilities	18,303,157	3,672,158	11,157,839	19,988,410	11,513,124	10,511,444	75,146,133

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9 Equity-accounted investees (continued)

(a) Summarised financial information for joint ventures (continued)

Summarised statement of profit or loss and other comprehensive income:

2022	ENERGY RO	LIWA RO	RAYSUT RO	AL-MUSANAH RO	DUQM RO	HAIMA RO	TOTAL RO
Charter hire	6,442,531	11,183,140	2,866,710	3,892,543	1,822,664	3,189,918	29,397,506
Operating costs	(2,970,742)	(14,693,706)	(923,968)	(1,392,366)	(787,671)	(1,035,224)	(21,803,677)
Depreciation	(3,219,840)	-	(1,082,097)	(1,994,762)	(919,839)	(1,138,381)	(8,354,919)
Operating profit/(loss)	251,949	(3,510,566)	860,645	505,415	115,154	1,016,313	(761,090)
Other non-operation income/(expenses)	(8,389,126)	(165,212)	(2,355)	(16,283)	(3,579,794)	24,992	(12,127,778)
Interest expense	(48,048)	-	(68,983)	(490,971)	(37,439)	(68,763)	(714,204)
Finance income	47,433	296	89	304	357	127	48,606
Net (loss)/profit	(8,137,792)	(3,675,482)	789,396	(1,535)	(3,501,722)	972,669	(13,554,466)

Reconciliation of summarised financial information:

2022	ENERGY RO	LIWA RO	RAYSUT RO	AL-MUSANAH RO	DUQM RO	HAIMA RO	TOTAL RO
Opening net assets 1 January	25,372,994	4,714,799	7,898,562	6,219,675	14,853,975	7,572,876	66,632,881
Profit for the year	(8,137,792)	(3,675,482)	789,396	(1,535)	(3,501,722)	972,669	(13,554,466)
Fair value adjustment	38,834	-	-	-	-	-	38,834
Dividend paid during the year	(2,040,500)	-	-	-	-	-	(2,040,500)
At 31 December	15,233,536	1,039,317	8,687,958	6,218,140	11,352,256	8,545,545	51,076,749
Investment in joint ventures	50%	50%	50%	50%	50%	50%	50%
Carrying value	7,616,767	519,659	4,343,979	3,109,070	5,676,128	4,272,772	25,538,375

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

10 Financial assets

The Group holds the following financial assets:

	2023	
	Non-current RO	**Current RO**
Financial assets at amortised cost		
- Receivables under finance lease arrangements - note (a)	**123,430,807**	**7,626,320**
- Loans receivable - note (b)	**7,462,926**	**58,960**
	130,893,733	**7,685,280**
Trade receivables - note (c)	**-**	**12,763,879**
Contract assets - note (d)	**-**	**2,386,634**
Other financial assets at amortised cost - note (e)	**-**	**4,113,853**
Bank balances - note (f)	**-**	**175,802,938**
	130,893,733	**202,752,584**

	2022	
	Non-current RO	Current RO
Financial assets at amortised cost		
- Receivables under finance lease arrangements - note (a)	131,218,334	6,841,760
- Loans receivable - note (b)	7,609,787	-
	138,828,121	6,841,760
Trade receivables - note (c)	-	18,518,669
Contract assets - note (d)	-	8,342,512
Other financial assets at amortised cost - note (e)	-	4,610,378
Bank balances - note (f)	-	129,644,369
	138,828,121	167,957,688

(a) Receivables under finance lease arrangements

Four of the Group's subsidiaries entered into 20 years lease arrangements for very large ore carriers (VLOCs) with a third party (lessee). The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it does not retain the significant risks and rewards of ownership of these VLOCs and therefore has accounted the time charter party agreements as finance lease arrangements.

	2023 RO	2022 RO
Non-current portion	**123,430,807**	131,218,334
Current portion	**7,803,260**	6,978,416
Less: Expected credit loss allowance [note 10(g)]	**(176,940)**	(136,656)
	7,626,320	6,841,760

During 2023, the Group recognised finance lease of Ro 16.96 million *(2022: RO 17.79 million)*.

Future minimum lease receivables under finance lease together with the present value of the minimum lease receivables are as follows:

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 Financial assets (continued)

(a) Receivables under finance lease arrangements (continued)

	2023 RO	2022 RO
Finance lease receivables		
- Current	**7,803,260**	6,978,416
- Non-current	**123,430,807**	131,218,334
Total finance lease receivable	**131,234,067**	138,196,750
Undiscounted lease payments to be received		
1 year	**24,240,910**	23,871,093
2 years	**23,383,440**	24,240,910
3 years	**23,500,333**	23,383,440
4 years	**23,855,015**	23,500,333
5 years	**23,001,718**	23,855,015
> 5 years	**107,498,060**	130,499,778
	225,479,476	249,350,569
Less : unearned finance income	**(94,245,409)**	(111,153,819)
	131,234,067	138,196,750

The receivable under finance lease arrangements is from a customer considered to be one of the largest ore producers in the world and therefore considered to be of good credit standing. Further, there are no past due finance lease receivables.

(b) Loans receivable

	2023 RO	2022 RO
Loan to a joint venture (note 18 & i)	**5,553,038**	5,497,800
Loan to OJV3 (ii)	**1,993,637**	2,136,776
Less: Expected credit loss allowance [note 10(g)]	**(24,789)**	(24,789)
	7,521,886	7,609,787

(i) Loans provided to Al Musanah Maritime Transportation Company S.A., a joint venture, carries an effective annual interest rate of SOFR plus 2% *(2022 - LIBOR plus 2%)*. The loan receivables also include an accrued interest of RO 55, 238 as of the reporting date.

(ii) The Group has granted a loan to OJV3 denominated in Japanese Yen amounting to RO 1,993,637 *(2022 - RO 2,136,776)*, which carry an interest rate of 4% *(2022– 4%)*. The loan receivables also include accrued an interest of RO 3,722 as of the reporting date.

(c) Trade receivables

	2023 RO	2022 RO
Trade receivables	**13,543,633**	19,416,965
Less: Expected credit loss allowance [note 10(g)]	**(779,754)**	(898,296)
	12,763,879	18,518,669

Due to the short-term nature of the current receivables, their carrying amount approximates to their fair value.

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 Financial assets (continued)

(d) Contract assets

The Group has recognised the following assets related to contracts with customers:

	2023 RO	2022 RO
Contract assets relating to voyage charter contracts	**2,418,200**	8,450,965
Less: expected credit loss (note 10 (g))	**(31,566)**	(108,453)
	2,386,634	8,342,512

The contract assets primarily relate to Group's right to consideration for work completed but not billed at the reporting date (freight services). The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company issues invoice to the customer.

(e) Other financial assets at amortised cost

	2023 RO	2022 RO
Due from related parties (note 18) *	**3,187,491**	3,372,301
Others	**1,036,645**	1,298,511
Less: Expected credit loss allowance [note 10(g)]	**(110,283)**	(60,434)
	4,113,853	4,610,378

* Accrued interest of RO 55,238 related to Al Musanah (related party) loan receivables is presented under financial asset at amortised cost (note 10)

(f) Bank balances

	2023 RO	2022 RO
Total bank balances	**175,802,938**	129,644,369
Fixed term deposits (6 months) - (i)	**107,787,683**	60,129,769
Margin deposits - (ii)	**16,018,602**	19,145,862
	123,806,285	79,275,631
Cash and cash equivalents	**51,996,653**	50,368,738
	175,802,938	129,644,369
Cash and cash equivalents	**51,996,653**	50,368,738
Less: Bank overdraft (note 14)	**(8,235,113)**	(39,676)
Cash and cash equivalents in consolidated cash flow statement (iii)	**43,761,540**	50,329,062

(i) Included in bank balances are deposits of RO 106,042,791 *(2022 – RO 59,486,919)* held with commercial banks in Sultanate of Oman. These deposits are denominated mainly in US Dollars and carry annual interest rates ranging between 5.00%-5.90% *(2022 – 4.00%-5.70%)*. Fixed term deposits also include accrued interest amounting to RO 1,744,892 *(2022: RO 642,849)*.

(ii) Certain subsidiaries are required to maintain service deposit balances to comply with the requirement of loans held with commercial banks in Sultanate of Oman, Japan and Europe. As of 31 December 2023, the balances in these service deposit accounts are denominated in US Dollars and amounted to RO 16,018,602 *(2022 - RO 19,145,862)*.

(iii) Cash and cash equivalents at year end comprise cash and cash equivalents of RO 51,996,653 *(2022 - RO 50,368,738)* and bank overdrafts of RO 8,235,113 *(2022: RO 39,676)*

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 Financial assets (continued)

(g) Impairment of financial assets

Trade receivables and contract assets

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 24 month before 31 December 2023 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has considered industry default rate forecasts issued by an external rating agency to incorporate forward-looking factor in its impairment assessment. The default rate forecasts issued by external agency are based on historic default rates for the industry and is adjusted for forward-looking macro-economic information (e.g., economic data from industry groups, associations or bodies). The Group has not experienced default from its customers over the past three years and accordingly the historical loss rate is 'nil' *(2022 – 'nil')* and therefore, the effective loss rate only consists of the forward looking factor (i.e. one year industry default forecast). Accordingly, loss rates and exposure at default are disclosed based on the industry wise classification of trade receivables and contract assets.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 365 days past due.

On that basis, the loss allowance for trade receivables, contract assets and other financial assets at amortised cost as at 31 December was determined as follows

Trade receivables, contract assets and other financial assets at amortised cost 2023	**Amounts outstanding (RO)**	**Loss rates**	**Loss allowance**
Transportation: Cargo	**4,247,758**	**5.80%**	**246,548**
Energy: Oil & Gas	**17,011,693**	**3.96%**	**674,147**
Metals & Mining	**132,435,175**	**0.15%**	**202,637**
Beverage, Food, & Tobacco	**-**	**-**	**-**
Total	**153,694,626**		**1,123,332**

If the ECL percentages would have fluctuated by 1%, the following impact on profit would have been observed:

	2023 RO Increase / Decrease	2022 RO Increase / Decrease
Other financial assets at amortised cost (note 10(e))	**42,241**	44,595
Trade receivables (note 10(c))	**135,436**	187,537
Contract assets (note 10 (d))	**24,182**	84,510

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 Financial assets (continued)

(g) Impairment of financial assets (continued)

Trade receivables and contract assets (continued)

Trade receivables, contract assets and other financial assets at amortised cost 2022	Amounts outstanding (RO)	Loss rates	Loss allowance
Transportation: Cargo	5,781,994	1.00%	57,820
Energy: Oil & Gas	19,030,000	1.10%	209,330
Metals & Mining	2,391,487	1.40%	33,481
Beverage, Food, & Tobacco	1,155	1.10%	12
Total	27,204,636		300,643

Financial assets at amortised cost

Management considers 'low credit risk' for entities based on its significant increase in credit risk criteria. The Group considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

Quantitative criteria: A ratings downgrade by two notches for rated entities.

Qualitative criteria: Other instruments from unrated entities are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Backstop: A backstop is applied and the financial instrument considered to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on its contractual payments.

All of the Group's financial assets at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses. The Group holds the vessels underlying the time charter contracts for finance lease receivables as collateral against the finance lease receivables which has been factored in the loss given default.

Movement in the allowance for impairment

The movement in the allowance for impairment in respect of trade receivables and other financial assets measured at amortised cost during the year was as follows.

	2023	2022
	RO	RO
Balance at 1 January	**1,228,628**	981,063
Impairment (reversal) / charge during the period	**(105,296)**	247,565
Balance at 31 December	**1,123,332**	1,228,628
Impairment (reversal) / charge on trade receivables	**(118,542)**	284,487
Impairment reversal on contract assets	**(76,887)**	(26,952)
Impairment charge on other financial assets	**49,849**	35,188
Impairment charge / (reversal) on financial assets at amortised cost	**40,284**	(45,158)
Net impairment (reversal) / charge on financial and contract assets	**(105,296)**	247,565

The expected credit loss allowance for bank balances as at 31 December 2022 and 31 December 2023 was not considered to be material and therefore not recognised in the financial statements at the reporting date.

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11 Other current assets

	2023 RO	2022 RO
Costs to fulfil contract (i)	**136,337**	2,000,508
Advances	**9,762,093**	10,112,028
Prepaid expenses	**6,251,269**	4,662,157
VAT receivables	**22**	18,435
	16,149,721	16,793,128

(i) The amount of RO 2,000,508 included in cost to fulfil contract at 31 December 2022 has been recognised as an expense in 2023 *(2022: RO 755,039).*

12 Share capital

	The Company			
	Authorized share capital		Issued and fully paid	
	2023 RO	2022 RO	**2023 RO**	2022 RO
Shares	**350,000,000**	350,000,000	**130,218,606**	130,218,606

13 Legal reserves

As required by the Commercial Companies Law of the Sultanate of Oman, the Parent Company and two of its subsidiaries, incorporated in the Sultanate of Oman, transfer 10% of their profit for the year to this reserve until such time as the statutory reserve amounts to at least one third of the respective company's capital.

The two Omani subsidiaries have discontinued such annual transfers as their reserves total one third of the respective subsidiary's issued share capital. The reserve is not available for distribution. The Group Company has transferred RO 4,980,251 *(2022 - RO 2,477,328)* to the legal reserve during the current year.

The balance at the end of the year represents amounts relating to the Company and its share of reserves of each of its two Omani subsidiaries below:

	2023 RO	2022 RO
Relating to the Company	**16,272,053**	11,291,368
Relating to the Omani subsidiaries	**416,667**	417,101
	16,688,720	11,708,469

14 Loans and borrowings

	2023 RO	2022 RO
Term loans (i)	**497,894,222**	562,988,139
Bank overdraft	**8,235,113**	39,676
	506,129,335	563,027,815
Less: Deferred financing costs	**(1,759,763)**	(2,590,754)
Total loan amount	**504,369,572**	560,437,061
Current portion		
Term loans (i)	**60,192,566**	58,274,723
Bank overdraft	**8,235,113**	39,676
Total current portion of loans and borrowings	**68,427,679**	58,314,399
Non-current portion of loans and borrowings	**435,941,893**	502,122,662

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14 Loans and borrowings (continued)

(i) The term loans are denominated in US Dollars and Rial Omani and are repayable in instalments of several denominations from quarterly to semi-annual repayments. These loans are secured against registered mortgage of related vessels and certain other securities.

The loans are secured against the vessels of the Group having carrying value of RO 339,799,712 *(2022 – RO 427,267,933)* that are assigned to the banks. The loans carry interest at variable rates based on SOFR with margins ranging from 1.7% to 4.35% per annum *(2022: LIBOR 1.7% to 2.8%)*

The loan agreements contain certain restrictive covenants that include net debt, current ratio, tangible net worth, debt service, debt equity ratio, pattern of shareholding, payment of dividends, disposal of vessel, amendment to time charter party agreement and creation of charge over authorised security.

Loans from commercial banks are denominated in US Dollars, guaranteed by MOF to the extent of USD 560 million (RO 215.6 million) *[2022 – USD 560 million (RO 215.6 million)]*. Term loans also include accrued interest amounting to RO 4,863,191 *(2022: RO 4,055,850).*

In order to manage the interest rate risk, the Group has entered into certain interest rate hedging agreements, the details of which are set out in note 15.

Breach of loans covenants and the waivers

The specific loan agreements contain certain financial covenants which require that at testing date defined in the agreement. During the year ended 31 December 2023, the Group was in compliance with all loan covenants.

Reconciliation of liabilities arising from financing activities

	2022 RO	**Cash in flows RO**	**Cash out flows RO**	**Non-cash item RO**	**2023 RO**
Term loans	562,988,139	**6,930,000**	**(72,831,258)**	**807,341**	**497,894,222**
Bank overdraft	39,676	**8,195,437**	**-**	**-**	**8,235,113**
Deferred finance cost	(2,590,754)	**-**	**-**	**830,991**	**(1,759,763)**
Lease liabilities	91,092,327	**-**	**(78,011,403)**	**147,495,281**	**160,576,205**
Liabilities arising from financing activities	651,529,388	**15,125,437**	**(150,842,661)**	**149,133,613**	**664,945,777**

Cash flows from financing activities include dividends paid during the year amounting to RO 38,000,000 *(2022 – RO 3,980,900)* which do not have any corresponding liability in the statement of financial position at the reporting date.

15 Derivative financial instruments

15.1 Relating to subsidiaries

In accordance with the requirements of loan agreements with certain commercial banks and with a view to cap exposure to fluctuating interest rates, certain subsidiaries of the Group have entered into interest rate hedging agreements with commercial banks.

The table below shows the fair values of the derivative financial instruments, which are equivalent to the market values, together with the notional amounts analysed by the term to maturities.

The notional amounts (i.e. the amounts of underlying liability being hedged by the derivatives), reference rates or indices and the fixed rates at which liabilities are hedged are the basis upon which changes in the values of derivatives are measured.

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15 Derivative financial instruments (continued)

15.1 Relating to subsidiaries (continued)

	2023 RO	2022 RO
Loan balances covered by hedging arrangements	**99,192,607**	196,334,387
Interest rate swaps used for hedging – net assets/(liabilities)	**3,291,916**	10,503,011
Current portion - asset	**2,561,620**	5,186,444
Non-current portion - assets	**748,196**	5,334,466
Non current portion – liabilities	**(17,899)**	(17,899)
	730,296	5,316,567
Change in fair value of derivatives	**(7,211,095)**	14,964,663
Notional amounts by term to maturity:		
1 year	**35,509,617**	32,973,045
2 to 5 years	**56,777,052**	148,226,029
Above 5 years	**6,905,938**	15,135,313
	99,192,607	196,334,387

The following table illustrates the movement of the Group cash flow hedges in subsidiaries and associates:

Subsidiaries

	2023 RO	2022 RO
Balance at 1 January	**10,503,011**	(4,461,652)
(Charge) / credit for the year (note 27)	**(4,387,675)**	342,411
Changes in fair value	**(2,823,420)**	14,622,252
Balance at 31 December	**3,291,916**	10,503,011

15.2 Relating to a joint venture

	2023 RO	2022 RO
Balance at 1 January	**-**	19,416
Charge for the year	**-**	(19,416)
Balance at 31 December	**-**	-

The Group's joint venture Energy Spring Carrier S.A. has entered into an interest rate swap agreement with a commercial bank with a view to cap its exposure to fluctuating interest rates.

As of 31 December 2023, the Group's share of future estimated cash flows of the swap instrument is Nil *(2022 - Nil).*

16 Employees' end of service benefits

Movements in the liability recognised in the statement of financial position are as follows:

	2023 RO	2022 RO
Balance at 1 January	**573,313**	407,371
Charge during the period	**397,258**	208,325
Paid during the period	**(90,644)**	(42,383)
Balance at 31 December	**879,927**	573,313

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17 Trade and other payables

	2023 RO	2022 RO
Amount due to related parties (note 18)	**19,891,249**	1,343,239
Trade payables	**12,739,855**	14,069,091
Accrued expenses	**9,323,389**	16,044,700
Withholding tax payable	**203,252**	3,916,217
Other payables	**21,644**	21,529
	42,179,389	35,394,776

18 Related parties

Related parties represent Ultimate Controlling Party (note 1), Immediate Parent Company (note 1), entities under common control of the Parent Company, joint ventures (note 9), directors and key management personnel of the Parent Company and its shareholders and entities controlled, jointly controlled or significantly influenced by such parties.

Transactions with related parties represent transactions with shareholders, directors and senior management of the Parent Company, and entities jointly controlled or significantly influenced by such parties. Prices and terms of these transactions are on mutually agreed terms and conditions which are approved by the Group's management.

In accordance with IAS 24 "Related Party Disclosures", the Group has applied the exemption for 'Government entities' and has elected not to disclose transactions with Government of Sultanate of Oman ("Government"), as the Government exerts significant influence over the Group. However, the Group has disclosed transactions which are either individually significant or that are collectively significant, but not individually, considering both quantitative and qualitative factors.

Transactions with related parties included in the consolidated statement of comprehensive income are as follows:

Compensation of key management personnel

The details regarding remuneration of members of key management and directors' sitting fees during the year are as follows:

	2023 RO	2022 RO
Short-term benefits	**847,526**	843,754
Post employment benefits	**76,075**	16,077
Directors sitting fees	**130,998**	12,000
	1,054,599	871,831

During the period, transactions with related parties are as follows:

	2023 RO	2022 RO
Income		
Vessel management fees from joint venture	**723,170**	703,734
Rental income – immediate parent company, fellow subsidiary and JVs	**135,724**	136,394
Interest income from joint venture (JV)	**409,122**	303,340
Costs		
Dry dock costs - Fellow subsidiary	**6,624,349**	1,970,000
Cost recharge - immediate parent company	**100,160**	45,802
Dividend paid – Immediate parent company	**38,000,000**	-

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18 Related parties (continued)

At 31 December, the related party balances are as follows:

	Due from related parties		Due to related parties	
	2023	2022	**2023**	2022
	RO	RO	**RO**	RO
Joint ventures	**9,558,910**	8,800,560	**818,381**	1,042,489
Immediate parent company	**-**	49,817	**17,954,939**	-
Fellow subsidiary	**54,313**	19,724	**1,721,519**	35,787
Ministry of Finance	**-**	-	**269,104**	264,963
Total*	**9,613,223**	8,870,101	**20,763,943**	1,343,239

* The above mentioneds balances are presented on gross basis and net balance of due to and due from are reconciled with respective notes.

19 Operating lease income

	2023	2022
	RO	RO
Charter hire revenue	**129,755,339**	63,901,420

Charter hire income relates to income earned from the vessels in the pool.

The Group charters out vessels on time charter contracts which are typically made for periods of 1 to 6 years but may have extension options. The lease contracts contain terms and conditions designed to protect the Group's interest in the vessels, to protect its personnel and to ensure compliance with laws and regulations. These terms include specificpation of maximum limit of use, requirements to follow particular operating practices and requirement to inform the Group of changes in how an asset will be used.

Maturity analysis for lease payments to be received under operating lease

	2023	2022
	RO	RO
1 year	**89,712,846**	61,605,370
2 years	**42,992,803**	44,813,793
3 years	**13,853,850**	20,019,752
4 years	**5,160,925**	17,358,632
5 years	**-**	12,682,807
> 5 years	**-**	3,370,114
Total	**151,720,424**	159,850,468

20 Revenue from contracts with customers

	2023	2022
	RO	RO
Freight income	**135,152,968**	187,465,941
Charter revenue	**74,254,248**	71,487,863
Vessel operation and maintenance services	**6,378,008**	6,294,265
Vessel management services	**1,220,533**	1,172,054
	217,005,757	266,420,123

(a) All the revenue is recognised over the time as the performance obligation is satisfied over time.

21 Voyage operating costs

	2023 RO	2022 RO
Bunker charges - inventory consumption	**43,060,525**	70,757,769
Port charges	**14,213,466**	14,041,780
Voyage expenses	**24,427,436**	13,253,058
	81,701,427	98,052,607

22 Staff costs

	2023 RO	2022 RO
Salaries, wages, and allowances	**7,910,623**	7,128,499
Employees' end of service benefits expenses (note 16)	**397,258**	208,325
Social security costs (PASI)	**1,052,620**	986,332
Other staff expenses	**3,162,226**	2,747,699
	12,522,727	11,070,855

	2023 RO	2022 RO
Staff cost has been charged as follows:		
General and administrative expenses (note 25)	**10,687,066**	9,323,498
Commercial expenses (note 24)	**1,835,661**	1,747,357
	12,522,727	11,070,855

23 Vessel operating costs

	2023 RO	2022 RO
Depreciation		
- owned assets (note 7)	**52,611,671**	56,523,468
- right-of-use assets (note 8)	**68,954,932**	24,597,357
Manning cost	**30,375,210**	31,887,923
Maintenance & repair	**9,752,969**	15,809,639
Insurance	**3,407,543**	3,575,411
Consumables & stores	**5,246,416**	5,454,407
Ship management fee	**221,756**	187,884
	170,570,497	138,036,089

24 Commercial expenses

	2023 RO	2022 RO
Commission expenses	**6,253,354**	6,271,710
Commercial staff costs (note 22)	**1,835,661**	1,747,357
	8,089,015	8,019,067

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25 General and administrative expenses

	2023 RO	2022 RO
Administrative staff costs (note 22)	**10,687,066**	9,323,498
Legal and professional expenses	**335,772**	419,775
Repairs and maintenance	**3,645**	308,275
Information technology services	**368,086**	414,735
Depreciation - owned assets (note 7)	**265,455**	281,380
Depreciation - right-of-use assets (note 8)	**64,747**	11,429
Other administrative expenses	**810,451**	96,498
Withholding tax expenses	**62,043**	-
	12,597,265	10,855,590

26 Finance costs

	2023 RO	2022 RO
Interest on loans and borrowings	**33,075,207**	21,755,441
Interest expense on interest rate swap	**-**	342,411
Interest expenses on lease liabilities (note 8.3)	**8,447,436**	2,860,858
Amortisation of deferred finance cost	**830,991**	841,242
	42,353,634	25,799,952

27 Finance income

	2023 RO	2022 RO
Interest income on loan and bank deposits	**5,308,266**	2,009,798
Interest income on interest rate swap	**4,387,674**	-
Gain on swap breakage	**3,409,232**	-
	13,105,172	2,009,798

28 Other Income

	2023 RO	2022 RO
Other income (i)	**7,476,561**	576,185

(i) The other income represents recovery from previously write-off debtors, reversal of withholding tax provision and building rental income.

29 Taxation

Taxation represents the aggregate of the Omani income tax applicable to Group companies in accordance with Omani fiscal regulations. The tax authorities in the Sultanate of Oman follow the legal entity concept. There is no concept of Group taxation in Oman. Accordingly, each legal entity is taxable separately.

	2023 RO	2022 RO
Income tax expense		
Current year	**902**	73,181
Deferred tax expense		
Current year	**(2,180,095)**	(1,774,389)
	(2,179,193)	(1,701,208)
Non-current assets		
Deferred tax asset	**6,637,032**	4,456,937

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29 Taxation (continued)

The movement in current taxation liability for the year comprises:

	31 December 2023 OMR	31 December 2022 OMR
Balance at 1 January	**73,181**	181,569
Charge for the period	**902**	73,181
Paid during the period	**(73,223)**	(177,470)
Reversal of provision	**-**	(4,099)
Balance at 31 December	**860**	73,181

The reconciliation of tax on the accounting profit to tax charge in the consolidated income statement is given below. The applicable rate of tax is 15% *(2022 - 15%).*

	2023 RO	2022 RO
Profit before tax	**37,310,174**	41,083,223
Tax on accounting profit before tax @ 15%	**5,596,526**	6,162,483
Less tax effect of:		
Tax effect of subsidiaries' results not subject to taxation	**1,518,335**	(2,697,147)
Non-deductible expenses	**(9,294,054)**	(5,166,978)
Others	**-**	434
	(2,179,193)	(1,701,208)

Deferred income tax is calculated on all temporary differences under the liability method using a principal tax rate of 15% *(2022 - 15%)*. The deferred tax asset in the statement of financial position and net deferred tax credit in the consolidated statement of comprehensive income are attributable to the following items:

	At 1 January 2023 RO	**Charge / (credit) for the year RO**	**At 31 December 2023 RO**
2023			
Tax effect of accelerated depreciation	**66,663**	**17,516**	**84,179**
Provision for impairment losses on financial assets	**(9,230)**	**(6,542)**	**(15,772)**
Deferred tax on provision for impairment on investment in an associate	**(116,243)**	**-**	**(116,243)**
Deferred tax on provision for investment in joint ventures	**(391,403)**	**-**	**(391,403)**
Deferred tax on tax losses	**(4,006,724)**	**(2,191,069)**	**(6,197,793)**
Net deferred tax asset	**(4,456,937)**	**(2,180,095)**	**(6,637,032)**

At 31 December 2023, the Group has recognised deferred tax asset of RO 6,637,032 *(2022 – RO 4,456,937)*. Based on management's assessment, the Group will have sufficient future taxable profits to recover the asset.

	At 1 January 2022 RO	Charge / (credit) for the year RO	At 31 December 2022 RO
2022			
Tax effect of accelerated depreciation	41,888	24,775	66,663
Provision for impairment losses on financial assets	(9,360)	130	(9,230)
Deferred tax on provision for impairment on investment in an associate	(116,243)	-	(116,243)
Deferred tax on provision for investment in joint ventures	(307,983)	(83,420)	(391,403)
Deferred tax on tax losses	(2,290,850)	(1,715,874)	(4,006,724)
Net deferred tax asset	(2,682,548)	(1,774,389)	(4,456,937)

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29 Taxation (continued)

(a) Asyad Shipping Company SAOC, Oman Ship Management Company SAOC and Asyad Line LLC

The tax rate applicable to the Company, Oman Ship Management Company SAOC (the subsidiary company) and Asyad Line LLC (the subsidiary company) is 15% *(2022 - 15%)*. For the purpose of determining the tax expense for the year, the accounting profit has been adjusted for tax purposes. Adjustments for tax purposes include items relating to both income and expense. The adjustments are based on the current understanding of the existing tax laws, regulations and practices.

The Company has recorded RO Nil current tax *(2022 – Nil)* and subsidiaries has a tax payable of RO 860 *(2022 – RO 73,181)* respectively in the current year.

(b) Oman Charter Company SAOC

Oman Charter Company SAOC is not subject to taxation in Oman in accordance with the Article 116 (1) of the Oman Income Tax Law amended by Royal Decree 68/2000. Accordingly, the company has not provided for any tax liability under the Oman Income Tax Law.

(c) Asyad Shipping PTE Ltd.

The tax rate applicable to Asyad Shipping PTE Ltd. (the subsidiary company) is 17% *(2022 - 17%)*. For the purpose of determining the tax expense for the year, the accounting profit has been adjusted for tax purposes. Adjustments for tax purposes include items relating to both income and expense. The adjustments are based on the current understanding of the existing tax laws, regulations and practices.

The subsidiary has a tax payable of RO Nil *(2022 – RO Nil)* in the current year.

(d) Panama subsidiaries

The Group's subsidiaries registered in the republic of Panama, are exempt from tax on their income arising from owning, chartering and operating Panama registered vessels as per Panama fiscal regulations.

(e) Marshall Islands subsidiaries

The Group's subsidiaries registered in the republic of Marshall Islands, are exempt from tax on their income arising from owning, chartering and operating Marshall Islands registered vessels as per Marshall Islands fiscal regulations. However, some of the Group's subsidiaries are subject to tax tonnage on vessel and other than payment of registry fee, the subsidiaries are not bound to pay any further tax.

	2023 RO	2022 RO
Unused tax credits on which no deferred tax asset has been recognised	**190,797,232**	235,539,351
Potential tax benefit @15%	**28,619,585**	35,330,903

30 Inventories

	2023 RO	2022 RO
Bunker fuel	**6,013,088**	9,653,257
Lubricants	**3,295,820**	2,546,509
	9,308,908	12,199,766

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 Inventories

30.1 Inventory Consumption cost

Inventory consumption cost included in the consolidated statement of comprehensive income are as follows:

	2023 RO	2022 RO
Bunker fuel (note 21)	**43,060,525**	70,757,769
Lubricants (note 23 consumables & store))	**2,261,728**	2,301,675
	45,322,253	73,059,444

31 Contract liabilities

	2023 RO	2022 RO
Contract liabilities	**12,716,920**	2,980,487

The contract liabilities primarily relate to the advance consideration received from customers for the freight services to be provided in future year. This will be recognised as revenue when the performance obligation will be satisfied which is expected to occur in year 2024. The amount of RO 2,980,487 included in contract liability at
31 December 2022 has been recognised as income in 2023.

32 Commitments and contingencies

32.1 Contingencies

At 31 December 2023, the Group has guaranteed loans borrowed by its companies amounting to RO 199,492,983 *(2022 – RO 230,033,521).*

32.2 Capital commitments

The Group has vessel purchase commitments of RO 155,185,800 *(2022: RO 86,255,000)* as of 31 December 2023 which relates to 2 LNG vessels under construction.

33 Breakdown of expenses by nature

	2023 RO	2022 RO
Depreciation on ROU and PVE	**121,896,806**	81,413,634
Bunker charges	**43,060,525**	70,757,769
Manning cost	**30,375,210**	31,887,923
Port charges-	**14,213,466**	14,041,780
Voyage expenses	**24,427,436**	13,253,058
Maintenance and repairs	**9,756,614**	16,224,374
Staff costs	**12,522,727**	11,070,780
Commission expenses	**6,253,354**	6,271,710
Consumables and stores	**5,246,416**	5,490,023
Insurance	**3,407,543**	3,575,411
Ship management fee	**221,756**	187,884
Legal and professional	**335,772**	308,273
Others	**90,069,911**	49,320,402
	361,787,536	303,803,021

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

34 Non – controlling interests

The following table summarizes the information relating to each of the Group's subsidiaries that has material NCI, before any intra Group eliminations.

31 December 2023	**AREJ**	**TIWI**	**DUNE**	**ORYX**	**Total**
NCI Percentage	**20%**	**20%**	**20%**	**40%**	
	RO	**RO**	**RO**	**RO**	**RO**
Non-current assets	19,213,432	19,666,587	19,455,665	17,974,662	76,310,346
Current assets	5,904,440	5,747,283	3,492,384	8,012,364	23,156,470
Non-current liabilities	3,853,273	1,944,415	-	1,204,402	7,002,089
Current liabilities	5,552,361	5,934,402	1,181,965	7,475,784	20,144,512
Net assets	15,712,238	17,535,053	21,766,084	17,306,840	72,320,215
Carrying amount of NCI	3,142,448	3,507,011	4,353,217	6,922,736	17,925,411
Revenue	10,054,541	10,177,228	6,042,575	10,674,167	36,948,510
Profit	4,855,097	4,871,899	1,465,488	5,685,262	16,877,746
OCI	(88,494)	(109,226)	-	(105,914)	(303,635)
Total comprehensive income	4,766,603	4,762,673	1,465,488	5,579,348	16,574,112
Profit allocated to NCI	971,019	974,380	293,098	2,274,105	4,512,602
OCI allocated to NCI	(17,699)	(21,845)	-	(42,366)	(81,910)
Cashflows from operating activities	8,258,101	8,328,717	4,036,515	10,334,125	30,957,458
Cashflows from investing activities	(406,366)	(1,845,439)	1,353,485	440,278	(458,042)
Cashflows from financing activities	(6,489,180)	(5,183,073)	(5,390,000)	(8,160,201)	(25,222,454)
Net change in cash and cash equivalents	1,362,555	1,300,205	-	2,614,202	5,276,962

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

34 Non – controlling interests (continued)

31 December 2022	AREJ	TIWI	DUNE	ORYX	Total
NCI Percentage	20%	20%	20%	40%	
Non-current assets	21,536,857	20,434,856	21,862,135	20,670,802	84,504,650
Current assets	4,063,823	3,982,889	4,785,210	5,556,026	18,387,948
Non-current liabilities	7,539,707	5,716,148	-	3,617,040	16,872,895
Current liabilities	4,189,338	4,389,216	956,750	5,415,296	14,950,600
Net assets	13,871,635	14,312,380	25,690,595	17,194,493	71,069,104
Carrying amount of NCI	2,774,327	2,862,476	5,138,119	6,891,803	17,666,725
Revenue	9,907,702	9,975,963	6,044,740	10,470,472	36,398,877
Profit	4,259,046	4,383,956	1,301,074	5,502,502	15,446,578
OCI	970,939	1,134,093	-	471,870	2,576,903
Total comprehensive income	5,229,985	5,518,049	1,301,074	5,974,373	18,023,480
Profit allocated to NCI	851,809	876,791	260,215	2,201,001	4,189,816
OCI allocated to NCI	112,720	226,819	-	188,748	528,287
Cashflows from operating activities	6,581,823	7,525,320	4,249,950	10,884,886	29,241,979
Cashflows from investing activities	280,396	(62,811)	(2,517,450)	(1,821,531)	(4,121,397)
Cashflows from financing activities	(8,184,506)	(8,261,861)	(1,732,500)	(7,107,036)	(25,285,903)
Net change in cash and cash equivalents	(1,322,288)	(799,352)	-	1,956,319	(165,321)

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

35 Fleet operating performance

2023	LNG RO	VLCC RO	Tankers RO	Dry bulk RO	Container RO	VLOC RO	Others RO	Total RO
Charter hires income	4,410,300	57,982,697	41,487,870	25,874,472	-	-	-	129,755,339
Revenue from contracts with customers	47,186,914	60,630,074	41,495,020	15,605,083	44,248,464	6,378,008	1,462,194	217,005,757
Finance lease income	-	-	-	-	-	16,955,690	-	16,955,690
Other Income	1,056,812	21,503,284	2,817,087	-	2,036	-	139,024	25,518,243
Dividend Income	-	-	-	-	-	-	147,570	147,570
Gross revenue	52,654,026	140,116,055	85,799,977	41,479,555	44,250,500	23,333,698	1,748,788	389,382,599
Voyage operating costs	(500,027)	(24,785,506)	(6,013,076)	(6,036,783)	(39,751,099)	(4,613,584)	(1,351)	(81,701,426)
Time Charter Equivalent	52,153,999	115,330,549	79,786,901	35,442,772	4,499,401	18,720,114	1,747,437	307,681,173
Charter hire expense for short term leases	(4,325,985)	-	(8,887,796)	(8,256,027)	(7,173,030)	-	-	(28,642,838)
Vessel operating costs	(7,425,802)	(18,773,066)	(11,162,333)	(5,550,293)	(1,302,767)	(4,362,810)	(426,823)	(49,003,894)
Commercial expenses	(178,905)	(3,095,759)	(1,588,964)	(1,392,830)	-	-	(1,832,557)	(8,089,015)
General and administrative expenses	(11,436)	(37,370)	(34,811)	(10,260)	(72,155)	(6,925)	(12,424,309)	(12,597,266)
Earnings before interest, tax, depreciation and amortisation	40,211,871	93,424,354	58,112,997	20,233,362	(4,048,551)	14,350,379	(12,936,252)	209,348,160
Depreciation expenses	(12,586,195)	(36,526,134)	(39,543,745)	(7,903,925)	(24,167,457)	(839,148)	-	(121,566,604)
Earnings before interest and tax	27,625,676	56,898,220	18,569,252	12,329,437	(28,216,008)	13,511,231	(12,936,252)	87,781,556
Net finance cost	(986,074)	(7,402,703)	(6,923,428)	(2,971,830)	(2,258,295)	(1,830,007)	(6,876,124)	(29,248,461)
Net impairment losses on financial and contract assets	-	166,168	(13,527)	(134)	61,408	(40,284)	(68,359)	105,272
Net impairment losses on fixed asset	-	-	-	-	(210)	-	-	(210)
Net impairment losses on right-of-use assets	-	-	-	-	(22,325,594)	-	-	(22,325,594)
Share of results of joint ventures and associates	997,611	-	-	-	-	-	-	997,611
Profit before tax	27,637,213	49,661,685	11,632,297	9,357,473	(52,738,699)	11,640,940	(19,880,735)	37,310,174
Income tax expense	-	-	-	-	(902)	-	2,180,095	2,179,193
Profit for the period	27,637,213	49,661,685	11,632,297	9,357,473	(52,739,601)	11,640,940	(17,700,640)	39,489,367

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

35 Fleet operating performance (continued)

2022	LNG RO	VLCC RO	Tankers RO	Dry bulk RO	Container RO	VLOC RO	Others RO	Total RO
Charter hire income		20,542,267	12,587,096	30,772,058	-	-	-	63,901,420
Revenue from contracts with customers	44,004,380	96,147,306	45,149,551	16,027,904	57,264,058	6,294,265	1,532,661	266,420,123
Finance lease income	-	-	-	-	-	17,795,506	-	17,795,506
Other Income		432,105	1,733	-	368		141,980	576,186
Dividend Income	-	-	-	-	-		960,444	960,444
Gross revenue	44,004,380	117,121,678	57,738,379	46,799,962	57,264,426	24,089,771	2,635,085	349,653,680
Voyage operating costs	(1,612,261)	(53,055,852)	(8,336,953)	(8,370,506)	(26,486,127)	(109,013)	(81,895)	(98,052,607)
Time Charter Equivalent	42,392,119	64,065,826	49,401,426	38,429,455	30,778,298	23,980,759	2,553,190	251,601,072
Charter hire expense for short term leases		(943,055)	(14,593,579)	(7,348,404)	808,001			(22,077,038)
Vessel operating costs	(8,933,088)	(22,953,260)	(11,941,042)	(5,985,923)	(1,275,019)	(5,392,336)	(434,596)	(56,915,265)
Commercial expenses	(161,988)	(3,392,856)	(1,161,729)	(1,555,137)	-		(1,747,357)	(8,019,067)
General and administrative expenses	(7,045)	(41,781)	(18,215)	(8,583)	(96,355)	(5,435)	(10,385,365)	(10,562,779)
Earnings before interest, tax, depreciation and amortisation	33,289,997	36,734,874	21,686,861	23,531,408	30,214,925	18,582,987	(10,014,128)	154,026,924
Depreciation expenses	(12,288,644)	(36,009,625)	(7,331,343)	(7,656,078)	(17,268,657)	(606,053)	(253,234)	(81,413,634)
Earnings before interest and tax	21,001,353	725,248	14,355,518	15,875,330	12,946,268	17,976,934	(10,267,362)	72,613,290
Net finance cost	(1,525,310)	(6,125,574)	(2,624,220)	(2,505,954)	(1,071,551)	(2,673,402)	(7,264,143)	(23,790,154)
Net impairment losses on financial and contract assets	2,848	(214,788)	(13,149)	(4,270)	(3,932)	45,158	(59,433)	(247,565)
Net impairment losses on fixed assets	-	(715,114)	-	-	-	-	-	(715,114)
Share of results of joint ventures and associates	(6,777,233)	-	-	-	-	-	-	(6,777,233)
Profit before tax	12,701,659	(6,330,228)	11,718,149	13,365,106	11,870,785	15,348,690	(17,590,938)	41,083,224
Income tax expense	-	-	-	-	(3,176)	-	1,704,383	1,701,208
Profit for the period	12,701,659	(6,330,228)	11,718,149	13,365,106	11,867,609	15,348,690	(15,886,555)	42,784,431

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

36 Fair value of assets and liabilities

Fair value versus carrying amounts

The fair values of other financial assets at amortised costs is close to the carrying value because of the short term nature of the financial assets; except for finance lease receivables, which are long term in nature and are exposed to fair valuation risk due to variability in underlying interest rate. The fair value of loans receivable approximate to their carrying value due to no significant difference between the current market interest rates when compared with the interest rates on which the loans were extended.

(a) Fair value measurements recognised in the statement of financial position:

	Carrying amount					Fair value
	Fair value – Hedging instrument RO	Other financial assets RO	Other financial liabilities RO	Designated at fair value RO	Total RO	Level 3 RO
2023						
Receivables under finance lease arrangements (note 10 (a))	**-**	**131,057,127**	**-**	**-**	**131,057,127**	**131,057,127**
Loans receivable (note 10 (b))	**-**	**7,521,886**	**-**	**-**	**7,521,886**	**7,521,886**
Derivative instruments (note 15.1)	**3,309,816**	**-**	**-**	**-**	**3,309,816**	**3,309,816**
	3,309,816	**138,579,013**	**-**	**-**	**141,888,829**	**141,888,829**
Derivative instrument	**17,899**	**-**	**-**	**-**	**17,899**	**17,899**
Loans and borrowings	**-**	**-**	**497,894,222**	**-**	**497,894,222**	**497,894,222**
	17,899	**-**	**497,894,222**	**-**	**497,912,121**	**497,912,121**
2022						
Receivables under finance lease arrangements	-	138,060,094	-	-	138,063,001	138,063,001
Loans receivable	-	7,858,702	-	-	7,858,702	7,858,702
Derivative instruments	10,520,911	-	-	-	10,520,911	10,520,911
	10,520,911	145,918,796			156,442,614	156,442,614
Derivative instrument	17,899	-	-	-	17,899	17,899
Loans and borrowings	-	-	560,397,385	-	560,397,385	560,397,385
	17,899	-	560,397,385		560,415,284	560,415,284

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

36 Fair value of assets and liabilities (continued)

(b) Fair value hierarchy

Type	Valuation technique	Significant unobservable inputs
Derivative instrument (Interest rate swaps)	Market comparison technique: fair value is calculated by the respective financial institutions.	Not applicable
Other financial liabilities	Discounted cash flows	Not applicable

There were no transfers between the levels during the current as well as the previous year.

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Registered office:

P.O. Box 104, Postal Code 118
Madinat Al Sultan Qaboos
Bousher, Muscat

Principal place of business:

Bawsher Heights, Building No. 1/171
Complex 261, Bawsher
Muscat, Sultanate of Oman

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER

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Independent auditors' report

To the Shareholder of Asyad Shipping Company SAOC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Asyad Shipping Company SAOC ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants *International* Code of Ethics for Professional Accountants *(including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Sultanate of Oman, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The consolidated financial statements of the Group as at and for the year ended 31 December 2021 were audited by another auditors who expressed an unmodified opinion on those consolidated financial statements on 23 March 2022.

Other Information

Management is responsible for the other information. The other information comprises the Board of Directors' report.

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Continued from page 1

Other Information (continued)

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Standards, and their preparation in compliance with the applicable provisions of the Commercial Company Law of 2019 and the Ministerial Decision 146/2021, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern.

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Continued from page 2

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)

If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

— Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

— Obtain sufficient appropriate audit evidence regarding the financial information of the components within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

We report that these financial statements comply, in all material respects, with the applicable provisions of Commercial Companies Law of 2019.

Further, as required by the applicable provisions of the Commercial Companies Law of 2019 and the Ministerial Decision 146/2021, we report that:

(i) we have obtained all the information and explanation we considered necessary for the purposes of our audit;

(ii) the Group has maintained accounting records and the consolidated financial statements are in agreement therewith;

(iii) the Group has carried out physical verification of inventories;

(iv) the financial information included in the Board of Directors' report is consistent with the books of account of the Group; and

(v) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the year ended 31 December 2022 any of the applicable provisions of the Commercial Companies Law of 2019 or of its Articles of Association which would materially affect the financial performance and/or its financial position as at 31 December 2022.

27 March 2023

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ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER

	Note	2022 RO	2021 RO
ASSETS			
Non-current assets			
Property, vessels and equipment	7	**679,609,418**	774,818,759
Right-of-use assets	8	**88,388,957**	40,462,160
Equity-accounted investees	9	**25,538,375**	33,316,442
Financial assets at amortised cost	10	**138,828,121**	146,055,452
Financial assets at fair value through other comprehensive income (FVOCI)	10	**2,907**	2,907
Derivatives	15	**5,334,466**	1,270,929
Deferred tax assets	29	**4,456,937**	2,682,549
		942,159,181	998,609,198
Current assets			
Financial assets at amortised cost	10	**6,841,760**	6,010,656
Trade receivables	10(d)	**18,518,669**	12,498,560
Derivatives	15	**5,186,444**	-
Contract assets	10(e)	**8,342,512**	4,284,512
Other financial assets at amortised cost	10(f)	**4,610,378**	1,376,783
Cash and cash equivalents	10(g)	**50,368,738**	16,838,955
Fixed term and margin deposits	10(g)	**79,275,631**	80,878,872
Other current assets	11	**16,790,221**	8,105,615
Inventories	30	**12,199,766**	14,699,783
		202,134,119	144,693,736
Total assets		**1,144,293,300**	1,143,302,934
EQUITY AND LIABILITIES			
EQUITY			
Share capital	12	**130,218,606**	130,218,606
Legal reserves	13	**11,708,469**	9,231,141
Cumulative changes in fair values	15	**10,319,455**	(4,136,337)
Retained earnings		**283,811,001**	247,693,714
Equity attributable to the owners of the Company		**436,057,531**	383,007,124
Non-controlling interests	34	**17,666,725**	16,929,522
Total equity		**453,724,256**	399,936,646
LIABILITIES			
Non-current liabilities			
Interest bearing loans and borrowings	14	**502,122,662**	553,807,256
Employee benefits	16	**573,313**	407,371
Derivatives	15	**17,899**	2,153,932
Lease liabilities	19	**58,784,394**	24,800,950
		561,498,268	581,169,509
Current liabilities			
Trade and other payables	17	**35,394,776**	70,547,102
Interest bearing loans and borrowings	14	**58,314,399**	68,715,201
Derivatives	15	**-**	3,578,649
Income tax payable		**73,181**	181,568
Lease liabilities	19	**32,307,933**	17,297,755
Contract liabilities	31	**2,980,487**	1,876,504
		129,070,776	162,196,779
Total liabilities		**690,569,044**	743,366,288
Total equity and liabilities		**1,144,293,300**	1,143,302,934

The consolidated financial statements including notes on pages 9 to 60 were approved and authorised for issue in accordance with a resolution of the Board of Directors on 27 March 2023 and were signed on their behalf by:

Deputy Chairman

Director

The notes on pages 9 to 60 are integral part of these consolidated financial statements.
Independent auditors' report - page 1 to 3.

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ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER

	Note	**2022 RO**	2021 RO
Revenue from contracts with customers	21	**266,420,123**	186,880,751
Operating lease income	20	**63,901,420**	38,393,990
Finance lease income	10(a)	**17,795,506**	18,541,259
Gross revenue		**348,117,049**	243,816,000
Voyage operating costs	22	**(98,052,607)**	(62,744,293)
Charter hire expenses for short term vessel hires		**(22,077,037)**	(13,025,597)
Vessel operating costs	24	**(138,036,089)**	(115,269,712)
Gross profit		**89,951,316**	52,776,398
Other income		**576,185**	309,710
Dividend income		**960,445**	-
Commercial expenses	25	**(8,019,067)**	(4,857,093)
General and administrative expenses	26	**(10,855,590)**	(8,485,492)
Impairment losses on financial and contract assets	10(h)	**(247,565)**	(214,512)
Loss on sale of fixed assets		**(715,114)**	-
Operating profit		**71,650,610**	39,529,011
Finance costs	27	**(25,799,952)**	(25,399,357)
Finance income	28	**2,009,798**	3,759,633
Share of results of equity-accounted-investees	9	**(6,777,233)**	3,267,852
Profit before tax		**41,083,223**	21,157,139
Income tax expense	29	**1,701,208**	(416,370)
Profit for the period		**42,784,431**	20,740,769
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Equity-accounted investees – share of OCI	15.2	**19,416**	119,579
Cash flow hedges – effective portion of changes in fair value *		**14,622,252**	4,072,074
Cash flow hedges – reclassified to profit or loss *		**342,411**	4,333,223
Other comprehensive income for the period, net of tax		**14,984,079**	8,524,876
Total comprehensive income for the period		**57,768,510**	29,265,645
Profit attributable to:			
Owners of the Company		**38,594,615**	16,456,186
Non-controlling interests	34	**4,189,816**	4,284,583
		42,784,431	20,740,769
Total comprehensive income attributable to:			
Owners of the Company		**53,050,407**	24,547,599
Non-controlling interests		**4,718,103**	4,718,046
		57,768,510	29,265,645

* The cash flow hedges do not have any tax impact as these relate to entities registered in tax haven jurisdictions.

The notes on pages 9 to 60 are integral part of these consolidated financial statements.

Independent auditor's report - page 1 to 3.

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Attributable to owners of the Company							
	Share capital RO	Share capital pending registration RO	Legal reserves RO	Cumulative changes in fair values RO	Accumulated losses RO	Total RO	Non-controlling interests RO	Total equity RO
At 1 January 2021	108,490,200	238,155,811	6,099,387	(12,227,750)	63,582,999	404,100,647	15,759,154	419,859,801
Total comprehensive income for the period								
Profit for the period	-	-	-	-	16,456,186	16,456,186	4,284,583	20,740,769
Transfer on account of dune buyback	-	-	-	-	(641,122)	(641,122)	641,122	-
Transfer to legal reserves	-	-	3,131,754	-	(3,131,754)	-	-	-
Share of other comprehensive income of joint ventures	-	-	-	119,579	-	119,579	-	119,579
Fair value of cash flow hedge adjustments – gross	-	-	-	3,915,905	-	3,915,905	156,169	4,072,074
Reclassification to profit or loss – gross	-	-	-	4,055,929	-	4,055,929	277,294	4,333,223
Total comprehensive income for the period	-	-	3,131,754	8,091,413	12,683,310	23,906,477	5,359,168	29,265,645
Transactions with owners of the company								
Dividends of subsidiaries	-	-	-	-	-	-	(4,188,800)	(4,188,800)
Registration of unregistered shares	238,155,811	(238,155,811)	-	-	-	-	-	-
Reduction of share capital	(216,427,405)	-	-	-	171,427,405	(45,000,000)	-	(45,000,000)
Total transactions with owners of company	21,728,406	(238,155,811)	-	-	171,427,405	(45,000,000)	(4,188,800)	(49,188,800)
31 December 2021	130,218,606	-	9,231,141	(4,136,337)	247,693,714	383,007,124	16,929,522	399,936,646

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

	Attributable to owners of the Company							
	Share capital RO	Share capital pending registration RO	Legal reserves RO	Cumulative changes in fair values RO	Retained earnings RO	Total RO	Non-controlling interests RO	Total equity RO
Balance at 1 January 2022	**130,218,606**	-	**9,231,141**	**(4,136,337)**	**247,693,714**	**383,007,124**	**16,929,522**	**399,936,646**
Total comprehensive income for the period								
Profit for the period	-	-	-	-	**38,594,615**	**38,594,615**	**4,189,816**	**42,784,431**
Other comprehensive income for the period	-	-	-	**14,455,792**	-	**14,455,792**	**528,287**	**14,984,079**
Transfer to legal reserves	-	-	**2,477,328**	-	**(2,477,328)**	-	-	-
Transactions with owners of the company								
Dividends	-	-	-	-	-	-	**(3,980,900)**	**(3,980,900)**
31 December 2022	**130,218,606**	-	**11,708,469**	**10,319,455**	**283,811,001**	**436,057,531**	**17,666,725**	**453,724,256**

The notes on pages 9 to 60 are integral part of these consolidated financial statements.

Independent auditor's report - page 1 to 3.

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER

	Note	2022 RO	2021 RO
Cash flows from operating activities			
Profit for the period		**41,083,223**	21,157,139
Adjustments for:			
Impairment losses on financial and contract assets	10(h)	**247,565**	214,512
Impairment losses on fixed assets		**715,114**	-
Depreciation	7, 8	**81,223,134**	66,899,679
Share of results of joint ventures and associate	9	**6,777,233**	(3,267,852)
Property, vessels and equipment write off during the year		**3,560,221**	-
Provision for employees' end of service benefits	16	**208,324**	5,162
Finance income	28	**(2,009,798)**	(3,759,633)
Finance expense	27	**25,799,952**	25,399,357
Dividend income		**(960,444)**	-
Gain on sale of assets		**(435,284)**	-
		156,209,240	106,648,364
Changes in:			
Inventories		**2,500,021**	(4,993,392)
Trade receivables		**(6,020,109)**	(4,193,255)
Contract assets		**(4,058,000)**	(2,625,453)
Other financial assets at amortised cost		**(3,233,595)**	(133,407)
Other current assets		**(8,684,606)**	(1,846,546)
Trade and other payables		**(35,156,439)**	(747,562)
Contract liabilities		**425,146**	(678,837)
Cash generated from operating activities		**101,981,658**	91,429,912
Interest paid		**(20,844,313)**	(24,341,202)
Employees' end of service benefit paid	16	**(42,383)**	(41,494)
Income taxes paid		**(177,461)**	(213,933)
Net cash from operating activities		**80,917,501**	66,833,283
Cash flows from investing activities			
Acquisition of property, vessels and equipment	7	**(16,904,652)**	(58,532,941)
Proceeds from sale of property, vessels and equipment		**51,032,766**	-
Proceeds from fixed term deposits - net		**4,271,652**	(12,494,350)
Dividends received		**1,980,694**	269,500
Settlement of finance lease receivable		**6,396,227**	5,709,914
Interest received		**2,053,269**	3,759,633
Net cash from / (used in) investing activities		**48,829,956**	(61,288,244)
Cash flows from financing activities			
Proceeds from borrowings		**39,676**	64,199,695
Repayments of borrowings		**(61,204,052)**	(144,053,231)
Payment of lease liabilities		**(26,681,401)**	(9,470,126)
Injection in restricted cash		**(2,668,410)**	5,111,729
Deferred finance cost paid		**-**	(705,767)
Dividend paid		**(3,980,900)**	(4,188,000)
Net cash used in financing activities		**(94,495,087)**	(89,106,500)
Net increase / (decrease) cash and cash equivalents		**35,252,370**	(83,561,1461)
Cash and cash equivalents at 1 January		**15,076,692**	98,638,153
Cash and cash equivalents at 31 December (note 10(g))		**50,329,062**	15,076,692

Reconciliation of liabilities arising from financing activities [note 14]

The notes on pages 9 to 60 are integral part of these consolidated financial statements.

Independent auditor's report - page 1 to 3.

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Legal status and principal activities

Asyad Shipping Company SAOC (the "Company") and its subsidiaries together referred as (the "Group") are engaged in investment in ship owning companies, vessel charter hire activities and ship management activities. The Group operates internationally. During the year, the Company has changed its name from Oman Shipping Company SAOC to Asyad Shipping Company SAOC.

The Company is 100% owned by Asyad SAOC (the "Immediate Parent Company"). Asyad is 100% owned by the Oman Investment Authority which is ultimately owned by the Government of Sultanate of Oman (the "Ultimate Controlling Party").

2 Basis of preparation

(a) The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and applicable requirements of the Commercial Companies Law of 2019.

(b) The consolidated financial statements have been presented in Rial Omani ("RO"). The functional currency of the Group is US Dollars ("USD"). The Group translates the USD amounts to RO amounts at an exchange rate of USD 1 = RO 0.385. The exchange rate has been constant throughout the current and prior years, as the Rial Omani is pegged to the USD.

(c) Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Rial Omani (RO), which is the Group's presentation currency. The factors determining the functional currency are the currencies of the functions. All the Group's sales are in USD. Most of the Group's expenses and finances are dominated in USD. Payroll is in RO, and some of the Group's finances are in Rom and JPY; however, these items are insignificant and most of the functions are dominated in USD, as a result of which the functional currency is USD.

(d) The consolidated financial statements are prepared under the historical cost convention modified where applicable for financial assets and financial liabilities carried at fair value and disclosed in financial statements.

(e) The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

(f) **Application of new and revised International Financial Reporting Standards (IFRSs)**

The Group has adopted all of the new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRS IC) of the IASB that are relevant to its operations and effective for periods beginning on 1 January 2022. The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2022:

- Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021
- Property, plant and equipment: proceeds before intended use – amendments to IAS 16
- Amendments to IAS 37 'provisions, contingent liabilities and contingent assets' - onerous contracts — cost of fulfilling a contract
- Annual Improvements to IFRS Standards 2018- Cycle (related to IFRS 9, IFRS 16 and IAS 41)

The amendments listed above did not have any impact on the Group's accounting policies and did not require retrospective adjustments.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group:
A number of new standards, amendments and interpretations to existing standards have been published and are mandatory for the annual accounting periods beginning on or after 1 January 2023 or later periods. The Group has not early adopted them. The Group is currently assessing the impact of the following new or amended standards in preparing these consolidated financial statements.

2 Basis of preparation (continued)

(f) *Application of new and revised International Financial Reporting Standards (IFRSs) (continued)*

- Classification of Liabilities as Current or Non-current - Amendments to IAS 1. Effective date of this amendment is for annual periods beginning on or after 1 January 2023;
- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2. Effective date of this amendment is for annual periods beginning on or after 1 January 2023;
- Definition of Accounting Estimates - Amendments to IAS 8. Effective date of this amendment is for annual periods beginning on or after 1 January 2023;
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12. Effective date of this amendment is for annual periods beginning on or after 1 January 2023.

There are no other IFRS standards, amendments or interpretations that are expected to have a material impact on the Group.

3 Summary of significant accounting policies

The Group's principal accounting policies are summarized below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Basis of consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The financial statements of the subsidiaries are prepared for the same reporting year as the Company, using consistent accounting policies.

(b) Associates

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Associates are all entities over which, the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting after being initially recognized at cost. Investment in associates includes goodwill identified on acquisition.

c) Joint arrangements

Under IFRS 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

(d) Equity method

Under the equity method of accounting, interests are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint ventures, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of another entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the

3 Summary of significant accounting policies (continued)

3.1 Basis of consolidation (continued)

(d) Equity method (continued)

extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

Where there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes and discloses this, when applicable, in the profit or loss section of the statement of comprehensive income.

(e) Transactions eliminated on consolidation

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries are adjusted to conform to the Group's accounting policies.

(f) Disposal of subsidiaries

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(g) Non-controlling interests

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity reserve attributable to the parent. Gains or losses on disposals to non-controlling interests are also recorded in equity reserve attributable to the Company.

3.2 Property, vessels and equipment

(a) Owned assets

Items of property, vessel and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost of marine vessels includes purchase price paid to third parties, including registration and legal documentation costs, all directly attributable costs incurred to bring the vessel into working condition at the area of planned use, mobilisation costs to the operating location, sea trial costs, significant rebuild expenditure incurred during the life of the asset and financing costs incurred during the construction period of vessels. Costs for other items of property, vessels and equipment include expenditure that is directly attributable to the acquisition of the asset. When parts of an item of property, vessels and equipment have different useful lives, they are accounted for as separate items of property, vessel and equipment.

(b) Subsequent expenditure

Expenditure incurred to replace a component of an item of property, vessels and equipment that is accounted for separately, including major inspection and overhaul expenditure is capitalised. Other subsequent expenditure is

3 Summary of significant accounting policies (continued)

3.2 Property, vessels and equipment (continued)

(b) Subsequent expenditure (continued)

capitalised only when it increases the future economic benefits embodied in property, vessels and equipment. All other expenditure is recognised in the statement of comprehensive income as an expense as incurred. Costs incurred to refurbish owned assets are capitalised within property, vessels and equipment and then depreciated over the shorter of the estimated economic life of the related refurbishment or the remaining life of the vessel.

(c) Depreciation

Depreciation is charged to the statement of comprehensive income on a straight line basis over the estimated useful lives of items of property, vessels and equipment. The estimated useful lives are as follows:

	Years
Vessels	20 to 30
Dry docking costs	2½ to 5
Computer equipment	3
Motor vehicles	3
Furniture and fixtures	3
Buildings	50

The depreciation period for second-hand vessels is determined on the basis of the condition and age of the vessels at the time of acquisition, but the depreciation period does not exceed 25 years from delivery from the shipyard.

(d) Assets under construction

Assets under construction is stated at cost and comprises all costs including borrowing costs directly attributable to bringing the assets under construction ready for their intended use. Assets under construction is transferred to property, vessels and equipment at cost on completion. No depreciation is charged on Assets under construction.

(e) Dry docking costs

The expenditure incurred on vessel dry docking, a component of property, vessels and equipment, is amortised over the period from the date of dry docking to the date on which the management estimates that the next dry docking is due which is generally between two and half to five years.

Any gain or loss on disposal of an item of property, vessels and equipment is recognised in the consolidated statement of profit or loss.

3.3 Leases

(a) Group as a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

3 Summary of significant accounting policies (continued)

3.3 Leases (continued)

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate. To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.
Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract.

The lease term is considered to be the non-cancellable period for which the Group has the right to use an underlying asset. The lease term is adjusted for periods covered by an option to extend; if it is reasonably certain that the option will be exercised as well as periods covered by an option to terminate the lease; if it is reasonably certain that the option will not be exercised.

(b) Group as a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease. If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight line basis over the lease term as part of charter hire income.

3.4 Non-current assets (or disposal groups) classified as held-for-sale

Non-current assets (or disposal groups) are classified as assets held-for-sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and their fair value less costs to sell.

3 Summary of significant accounting policies (continued)

3.5 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined applying the first-in, first-out and the average cost methods for bunker oil and lubricant oil respectively and includes all costs incurred in acquiring and bringing them to their present location and condition. Provision is made for slow moving and obsolete inventory items where necessary, based on management's assessment. Net realisable value is based on estimated selling price less any further costs expected to be incurred on completion and disposal.

3.6 Financial instruments

3.6.1 Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI), or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Classification of financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVOCI) comprise:

- Equity securities which are not held for trading, and which the Company has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Company considers this classification to be more relevant.
- Debt securities where the contractual cash flows are solely principal and interest and the objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets.

3.6.2 Recognition

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

3.6.3 Derecognition

a) Derecognition of financial assets:

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers.

3 Summary of significant accounting policies (continued)

3.6 Financial instruments (continued)

3.6.3 Derecognition (continued)

a) Derecognition of financial assets (continued):

nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its consolidated statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

b) Derecognition of financial liabilities:

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

3.6.4 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

3 Summary of significant accounting policies (continued)

3.6 Financial instruments (continued)

3.6.4 Measurement (continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

3.6.5 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.6.6 Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

3.6.7 Measurement of ECLs

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk. Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments.

3.7 Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges)
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

3 Summary of significant accounting policies (continued)

3.7 Derivatives and hedging activities (continued)

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at fair value through profit or loss.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity.

The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance cost at the same time as the interest expense on the hedged borrowings.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss. The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses, are recognised in the statement of comprehensive income.

3.8 Impairment of non-financial assets

The recoverable amount of an asset or its cash generating unit is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit).

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.9 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Gains and losses on measurement of transactions with shareholders are recognised in equity.

As at previous year end, the advance received from shareholders in respect of issuance of ordinary shares and not registered with Ministry of Commerce and Industry is classified as share capital pending registration.

3.10 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

3 Summary of significant accounting policies (continued)

3.11 Dividend distribution

Dividends are recognised as a liability in the year in which they are approved by the Group's shareholders.

3.12 Provisions

A provision is recognised in the statement of financial position when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefit will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liabilities.

3.13 Employees' end of service benefits

End of service benefits is a defined benefit plan and the benefits are accrued in accordance with the terms of employment of the Group's employees at the reporting date, having regard to the requirements of Oman Labour Law 2003, as amended. Employee entitlements to annual leave and leave passage are recognised when they accrue to employees and an accrual is made for the estimated liability arising as a result of services rendered by employees up to the reporting date. These accruals are included in current liabilities, while the provision relating to end of service benefits are classified as a non-current liability.

Contributions to a defined contribution retirement plan for Omani employees in accordance with the Omani Social Insurances Law of 1991 are recognised as an expense in the statement of comprehensive income as incurred. For non-Omani companies the end of service benefits are provided as per the respective regulations in their country.

In accordance with the provisions of IAS 19, Employee benefits, management carries an exercise to assess the present value of the Group's obligations as of reporting date, using the actuarial techniques, in respect of employees' end of service benefits payable under the aforesaid Oman Labour Law. Under this method, an assessment is made of an employee's expected service life with the Group and the expected basic salary at the date of leaving the service.

3.14 Interest expense and income

Interest expense on borrowings is calculated using the effective interest rate method. Financing costs are recognised as an expense in the statement of comprehensive income in the period in which they are incurred.

Borrowing costs comprise interest payable on borrowings. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. All other borrowing costs are recognised as an expense in the year in which they are incurred.

Interest income is recognised in the statement of comprehensive income as it accrues, taking into account the effective yield on the asset.

3.15 Income tax

Income tax is provided for in accordance with the fiscal regulations of the country in which the Group operates.

Income tax on the profit or loss for the year comprises current and deferred taxation. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in the equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the liability method, providing for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is calculated on the basis of the tax rates that are expected to apply to the year when the asset is realised or the liability is settled based on tax rates (and tax laws) that have been enacted or substantially enacted by the reporting date. The tax effects on the temporary differences are disclosed under non-current liabilities or non-current assets depending on the nature of the temporary difference.

3 Summary of significant accounting policies (continued)

3.15 Income tax (continued)

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. The carrying amount of deferred tax assets is reviewed at reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The assessment regarding adequacy of tax liability for open tax year relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.16 Foreign currency

The functional currency of the individual entities is the United States Dollar. As at the reporting date, the assets and liabilities of these entities are translated into the presentation currency of the Group (the Rial Omani) at the rate of exchange ruling at the reporting date and their income statements are translated at the weighted average exchange rates for the year.

Transactions denominated in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate ruling at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in functional currency at the beginning of the year, adjusted for effective interest and payments during the year and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in statement of comprehensive income except for differences arising in retranslation of a financial liability designated as a hedge of the net investment in a foreign operation, or qualifying cash flow hedges, to the extent these hedges are effective, which are recognised in other comprehensive income.

3.17 Value added taxes

The Company recognises Value Added Tax in line with the rules and regulations set out in the VAT law set out by the Tax Authority of the Sultanate of Oman. The law requires all sales, supplies, services and consumptions within Oman eligible to 5% VAT. The sales, supplies, services, and consumptions outside Oman are subject to zero percent VAT. Revenue, expenses, assets and liabilities are recognised net of the amount of VAT, except where the VAT incurred on the purchase of assets or services is not recoverable from the tax authorities, in which case the VAT is recognised as part of the cost of acquisition of assets or as part of the expense item as applicable.

3.18 Revenue recognition

(a) Revenue from contract with customers

The Group enters into following contracts with customers:

- Freight services – A voyage charter is the hiring of a vessel for a single voyage or consecutive journeys from the named port of loading to the port of destination.
- Charter hire services– Charter income is earned for the vessels provided on time charter.
- Operation and maintenance services of vessels – Services provided for operation and maintenance of leased vessels.

3 Summary of significant accounting policies (continued)

3.18 Revenue recognition (continued)

- Vessel management services – It is a contract for providing crew management and ship maintenance management services to vessels chartered by the Group.

The revenue from contracts with customers has been disaggregated based on the type of service rendered as explained above. The Group disaggregates the revenue in the same manner while evaluating its financial performance.
Information about the Group's contracts is summarised below:

(i) Freight services

Contract for a voyage charter consists of a single performance obligation to provide the charterer with an integrated transportation service within a specified time period. The contract meets the criteria to recognize revenue over time because the charterer simultaneously receives and consumes the benefits of the Group's performance.
The Group uses the input method to measure the Group's progress towards satisfaction of performance obligations. The input method requires the Group to recognise revenue rateably over the estimated length of each voyage, calculated on a load-to-discharge basis. The revenue is recognised from the point of disconnection of hoses at the load port to the point of disconnection of hoses at the discharge port. The selected input method depicts the Group's performance towards complete satisfaction of the performance obligations since the duration of voyage can be estimated reasonably and it corresponds directly with the value to the customer of Group's performance completed to date.

Invoicing is as per transaction price (freight rate) agreed in the contract. The payment terms are short term in nature and accordingly, transaction price does not contain any significant financing component. Variable consideration which includes items such as demurrage/dispatch, speed bunker differentials, and storage revenue is included in transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Accumulated experience is used to estimate variable consideration using the expected value method.

The Group recognise a contract asset for services provided over time. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer, which is generally raised upon complete satisfaction of performance obligation. The payment is due within 30 days from the date of invoice, Advances received are included in contract liabilities. Discounts are not considered as they are only given in rare circumstances and are never material.

Voyage expenses are capitalized between the previous discharge port, or contract date if later, and the next load port if they qualify as fulfilment costs under IFRS 15. The Group does not commence capitalisation of voyage expenses until a voyage charter has been agreed to by both the Group and the customer, even if the vessel has discharged its cargo and is sailing to the anticipated load port on its next voyage.

To recognize costs incurred to fulfil a contract as an asset, the following criteria shall be met: (i) the costs relate directly to the contract, (ii) the costs generate or enhance resources of the entity that will be used in satisfying performance obligations in the future and (iii) the costs are expected to be recovered. These costs which include, bunker charges, port costs, and commission expenses, are amortized between load port and discharge port since it is consistent with the transfer to the customer of the services.

No significant element of financing is deemed present as sales are made with a credit term of 30-60 days, which is consistent with market practice. Revenue from sales is recognised based on the price specified in the contract. Variable consideration is included in transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Accumulated experience is used to estimate variable consideration using the expected value method.

(ii) Operation and maintenance services

Operational and maintenance services pertains to the crew services and repairs-maintenance services for the vessels chartered. The performance obligation relating to such service element is satisfied overtime since the customer simultaneously receives and consumes the benefits of the Group's performance as the Group performs.

3 Summary of significant accounting policies (continued)

3.18 Revenue recognition (continued)

(ii) Operation and maintenance services (continued)

Revenue for the services is recognised for the amount to which the Group has right to invoice for the period, since the invoice amount corresponds directly with the value to the customer of the entity's performance completed to date. Receivable from the customer is booked at the same time when the consideration is unconditional, because only the passage of time is required before the payment is due. The invoice is raised on a monthly basis and is payable within 3 to 5 days from the date of receipt of invoice by the customer. The Group does not adjust the transaction price for time value of money as the period between the transfer of the promised goods or services to the customer and payment by the customer does not exceed one year and the sales are made with agreed credit terms which is in line with the relevant industry practice.

(iii) Charter hire

Charter hire income pertains to the charter provided to the customers for specified time period. The performance obligation relating to such service element is satisfied overtime since the customer simultaneously receives and consumes the benefits of the Group's performance as the Group performs.

(iv) Vessel management services

The Group provides crew management and ship maintenance management services to vessels chartered by the Group. The contracts gives rise to a single performance obligations namely vessel management services. The performance obligation relating to such service is satisfied overtime since the customer simultaneously receives and consumes the benefits of the Group's performance.

Revenue for the services is recognised for the amount to which the Group has right to invoice for the period, since the invoice amount corresponds directly with the value to the customer of the entity's performance completed to date. Receivable from the customer is booked at the same time when the consideration is unconditional, because only the passage of time is required before the payment is due. The invoice is raised on a monthly basis and is payable within 3 to 5 days from the date of receipt of invoice by the customer. The Group does not adjust the transaction price for time value of money as the period between the transfer of the promised goods or services to the customer and payment by the customer does not exceed one year and the sales are made with agreed credit terms which is in line with the relevant industry practice.

(b) Dividend

Dividend income is recognised when the right to receive the dividend is established.

(c) Interest income

Interest income on financial assets at amortised cost and financial assets at FVOCI calculated using the effective interest method is recognised in the statement of profit or loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

3.19 Interest bearing borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

3 Summary of significant accounting policies (continued)

3.19 Interest bearing borrowings (continued)

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

3.20 Determination of fair values

Certain of the Group's accounting policies and disclosures require the determination of fair value, for financial assets at fair value through other comprehensive income (FVOCI), financial assets at fair value through profit or loss (FVPL), financial liabilities, derivatives and for non-financial assets and liabilities. The fair values have been determined for measurement and/or disclosure purposes.

Financial assets at FVOCI represent investment in unquoted security. At the reporting date, the Group did not hold any financial asset at FVPL. Financial liabilities consist of trade and other payables, interest bearing loans and borrowings, bank overdrafts and vessel deposits. Derivatives consist of interest rate swap agreements.

When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to the asset or liability.

The group's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(a) Investments

For investments traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the reporting date (Level 1).

For unquoted investments, a reasonable estimate of the fair value is determined by reference to the market value of a similar investment or is based on other observable inputs (Level 2). The fair value for certain unquoted investments are classified as level 3 in the fair value hierarchy due to the use of unobservable inputs, including own credit risk. (Level 3).

(b) Other interest bearing items

The fair value of interest-bearing items is estimated based on discounted cash flows using market interest rates for items with similar terms and risk characteristics (Level 2).

(c) Trade and other receivables

The fair value of trade and other receivables including cash and bank balances approximates to their carrying amount due to their short-term maturity.

(d) Derivatives

The fair value of interest rate swaps is calculated by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date. This calculation is tested for reasonableness through comparison with the valuations received from the parties issuing the instruments (Level 2).

3 Summary of significant accounting policies (continued)

3.20 Determination of fair values (continued)

(e) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. (Level 2).

3.21 Common control transactions

Transactions involving entities under common control where the transaction has substance are accounted for using the acquisition method. For transactions involving entities under common control where the transaction does not have any substance, the Group adopts the pooling of interests method. Under the pooling of interests method, the carrying value of assets and liabilities in the books of the transferor (as adjusted to comply with Group accounting policies), are used to account for these transactions. The relevant book value is the carrying amount of the investee in the separate financial statements of the transferor. No goodwill is recognised as a result of the transfer. The only goodwill recognised is any existing goodwill relating to either of the combining entities. Any difference between the consideration paid and the net assets acquired is reflected as 'merger reserve' within equity.

4 Financial risk management

The Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

4.1 Financial risk factors

(a) Market risk

Market risk is the risk that change in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(i) Foreign currency risk

The Group's functional currency is USD. Most of transactions are in USD, however the Group does have financial instruments in foreign currencies, therefore is exposed to currency risk, which is not hedged.

Financial assets at amortised cost	**Currency**	**2022 RO**	2021 RO	**Comment**
Loans receivable	Japanese Yen	**2,136,776**	**2,385,691**	If foreign currency were to shift by +/- 0.5% there will be a maximum change in the profit and equity for the year by RO 11,169 (2021: RO 12,196)

(ii) Interest rate risk

Risk management strategy

The Group has obtained certain credit facilities from various international and local banks. These credit facilities bear interest at USD LIBOR plus applicable margins. To manage this, the Group entered into interest rate swaps, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. These hedging instruments are designated to hedge underlying debt obligations. The Group has also entered into interest rate collars, wherein

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

Risk management strategy (continued)

the Group agrees to exchange, at specified intervals, the difference between the variable rate and the ceiling / floor rate (i.e when the variable rate breaches the ceiling / floor rate), calculated with reference to the agreed upon notional principal amount. The Group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the hedging instruments.

The Group enters into hedging instruments that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. As all critical terms matched during the year, the economic relationship was 100% effective. The Group applies hedge accounting to remove the accounting mismatch between the hedging instrument and the hedged item since all critical terms matched during the year and the economic relationship was 100% effective. This will effectively result in recognising interest expense at a fixed interest rate for the hedged floating rate loans.

Hedge ineffectiveness for hedging instruments may occur due to:
- the credit value/debit value adjustment on the hedging instruments which is not matched by the loan, and
- differences in critical terms between the interest rate swaps and loans.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

There was no ineffectiveness during 2022 or 2021 in relation to the interest rate swaps.

The Group's bank deposits carry fixed rates of interest and therefore, are not exposed to interest rate risk. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group long-term debt obligations with floating interest rates.

At 31 December 2022, after taking into account the effect of hedging instruments, 35.13% (2021 – 42.66%) of the Groups' total borrowings are at a fixed rate of interest. For the borrowings that are not hedged, if the interest rates on borrowings were to shift by +/- 0.5% there would be a maximum change in the profit for the year by RO 1,793,815 (2021 - RO 1,747,019).

The effects of the interest rate swaps on the Group's financial position and performance are as follows:

	2022 **RO**	2021 RO
Carrying amount of liability hedged	**196,334,386**	256,334,970
Notional amount	**196,334,386**	256,334,970
Maturity period	**5 – 10 years**	5 – 10 years
Hedge ratio (holding all other variables constant)	**100%**	100%
Change in fair value of outstanding hedging instruments since 1 January	**14,455,792**	8,091,413
Change in value of hedged item used to determine hedge effectiveness	**(14,455,792)**	(8,091,413)
Weighted average hedged rate for the year	**1.92%**	1.79%

Adoption of amendments to IFRS 9 and IFRS 7 Interest Rate Benchmark Reform

In July 2017, the United Kingdom Financial Conduct Authority ('FCA'), which regulates the London Interbank Offered Rate ('LIBOR'), announced that the interest benchmark would cease after 2023. LIBOR is one of the most common series of benchmark interest rates.

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

As part of the Group's risk management strategy, the Group uses financial instruments to manage exposures arising from variation of interest rates that could affect profit or loss or other comprehensive income and applies hedge accounting to these instruments.

These financial instruments are referenced to LIBOR. Refer note 15 to the consolidated financial statements for nominal value and details of derivative contracts under hedging arrangements.

The Group has early adopted the Interest Rate Benchmark Reform amendment to IFRS 9 and IFRS 7 issued in September 2019. The amendments provide temporary relief from applying specific hedge accounting requirements to hedging relationships directly affected by IBOR reform. The reliefs have the effect that LIBOR reform should not generally cause hedge accounting to terminate.

In calculating the change in fair value attributable to the hedged risk of term loan, the Group has made the following assumptions that reflect its current expectations:

- The floating-rate debt will move to the benchmark adopted during 2023, and the spread will be similar to the spread included in the interest rate swap used as the hedging instrument;
- No other changes to the terms of the term loan are anticipated; and
- The Group has incorporated the uncertainty over when the floating-rate debt will move to new adopted benchmark, the resulting adjustment to the spread, and the other aspects of the reform that have not yet been finalised by adding an additional spread to the discount rate used in the calculation.

(b) Price risk

As at 31 December 2022, the Group is not materially exposed to price risk as the financial assets at fair value through other comprehensive income (FVOCI) represents an unquoted investment of immaterial value.

The market price of bunker is generally linked to the price of crude oil, and any increase in bunker prices has a negative impact on earnings for the Group. If the price of fuel had increased or decreased by hundred basis points would lead to an impact of RO 707,578 (2021 : RO 381,310) on profit and retained earnings. The Group operates a fleet of approximately 44 vessels (2021: 26 vessels) on spot market wherein it incurs the bunker cost. These vessels contribute 43% of the Group's revenue (2021: 30%) and the fuel consumption amounts during current year amounts to RO 70.758 million (2021 – RO 38.131 million). The remaining revenue is from vessels operating on time charters or contract of affreightment wherein the bunker is the responsibility of the charterer.

(c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligation and arises principally from Group's receivables, contract assets, and financial assets at amortised cost.

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost and at fair value through other comprehensive income (FVOCI), favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to outstanding receivables and contract assets.

The Group seeks to limit its credit risk with respect to its finance lease receivables, trade receivables and contract assets by monitoring outstanding receivable balances. The Group has a policy to deal only with credit worthy counter parties. If the customer independently rated, these ratings are used. Otherwise, if there is no independent rating, the Group assesses the credit quality of the customer, taking into account its financial position, past experiences, and other factors.

With respect to credit risk arising from the other financial assets of the Group, including cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Group limits its credit risk with regard to bank deposits by only dealing with banks with high credit rating. The Group also assesses the credit quality of the companies to whom loans have been advanced taking into account their financial position, past experience and other factors.

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

(c) Credit risk (continued)

Concentration of credit risk arises when a number of counter-parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location. The Group has significant concentrations of credit risk with financial assets at amortised cost, details of which are provided in the note below.

The Group evaluates the credit worthiness and business outlook of its customers and specifically those with significant finance lease receivable on periodic basis and makes appropriate provisions, where necessary.

Major classification of financial assets as at 31 December is as follows:

	2022		2021	
	RO	**%**	RO	%
Trade and other receivables	**19,416,965**	**6**	13,112,369	5
Contract assets	**8,450,965**	**3**	4,419,917	2
Other financial assets at amortized cost	**4,670,812**	**2**	1,402,029	1
Cash and cash equivalents	**50,368,738**	**16**	16,838,955	6
Fixed term deposits	**79,275,630**	**26**	80,878,872	29
Financial assets at amortised cost	**145,831,326**	**47**	152,272,711	57
	308,014,436	**100**	268,924,853	100

Credit risk	**2022 RO**	2021 RO	**Comments**
Trade and other receivables	**19,416,965**	13,112,369	The Group has strong counterparties with good reputations and strong financial performance.
Contract assets	**8,450,965**	4,419,917	
Other Financial assets at amortised cost	**4,670,812**	1,402,029	
Cash and cash equivalents	**50,368,738**	16,838,955	The Group liquidity is strictly placed with financial institution having strong credit rating or classified as systemically important financial institutions supported by Oman government.
Fixed term deposits	**79,275,630**	80,878,872	
Financial assets at amortised cost	**145,831,326**	152,272,711	Refer note 10 for details

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

(c) Credit risk (continued)

Gross carrying amount of financial assets by risk rating grades:

	Rating	2022 RO	2021 RO
Abu Dhabi Islamic Bank	A1	**549,173**	1,711
Bank Nizwa SAOG	Ba3	**470,212**	24,198
Alizz Islamic Bank SAOC	Ba3	**73**	9,168,750
Ahli Bank SAOG	A2	**162,494**	48,469
Ahli United Bank KSCP	A2	**126**	11
Oman Arab Bank SAOC	Ba3	**158,978**	209,304
Sohar International SAOG	Ba3	**33,475,049**	16,309,581
Sohar Islamic	Ba3	**443**	445
Bank Muscat SAOG	Ba3	**15,185,896**	8,036,387
Societe General Bank	A1	**11,856,960**	13,093,943
National Bank of Oman SAOG	Ba3	**-**	6,400,853
First Abu Dhabi Bank - Oman Region	Aa3	**18,097,940**	6,408,262
Meethaq Islamic Banking - Corporate Banking	Ba3	**3,286,245**	10,492,698
Citi Bank NA (London Branch)	Aa3	**1,088,026**	3,303,051
Gulf International Bank BSC	Baa1	**522,708**	63,842
Mashreq Bank psc	Baa1	**2,612,957**	113,773
Sumitomo Mitsui Banking Corporation	A1	**4,709,660**	2,552,086
Muzn Islamic Banking	Ba3	**2,048,149**	2,043,811
Standard Chartered Bank	A1	**6,260,784**	2,139,948
Qatar National Bank	Aa3	**12,343,380**	15,683,887
J.P. Morgan	Aa1	**2,973,197**	1,622,817
Bank Dhofar SAOG	Ba3	**13,841,919**	-
Bank balances		**129,644,369**	97,717,827
OJV Cayman 3 Limited	Unrated	**2,136,776**	2,385,691
Al-Musanah Maritime Transportation Company S.A.	Unrated	**5,497,800**	5,497,800
Vale International SA	Ba1	**138,196,750**	144,389,220
Financial assets at amortised cost		**145,831,326**	152,272,711

The stated rating is as per the global bank ratings by Moody's Investors Service. Although certain banks were unrated or not prime, management does not foresee any credit risk.

Geographic concentration of credit risk for all financial assets:

	2022 RO	2021 RO
Gulf Cooperation Council (GCC)	**112,570,377**	84,038,731
Other than GCC	**195,444,059**	184,886,121
	308,014,436	268,924,849

At 31 December, the ageing of trade receivables that was as follows:

	2022 RO	2021 RO
Not due	**4,684,646**	4,507,303
Past due 1-90 days	**11,428,326**	6,839,068
Past due above 91 days	**3,303,994**	1,765,998
	19,416,965	13,112,369

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

(d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and liquid instruments, and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Group had cash and cash equivalents [note 10 (g)] of RO 50,368,738 (2021 – RO 16,838,955) that are expected to readily generate cash inflows for managing liquidity risk. Due to the dynamic nature of the underlying businesses, group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the group's liquidity reserve (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at central level in accordance with practice and limits set by the group.

Financing arrangements

The Group had access to the undrawn borrowing facilities of RO 15,400,00 (2021 – RO 16,637,736) at the end of the reporting period.

		Contractual cash flows			
	Carrying amount RO	**Less than 1 year RO**	**1 to 5 Years RO**	**More than 5 years RO**	**Total RO**
At 31 December 2022					
Non- derivative financial liabilities					
Accounts payables and accruals	**35,394,770**	**35,394,770**	**-**	**-**	**35,394,770**
Loans and borrowings	**560,397,385**	**69,253,807**	**269,984,347**	**328,341,149**	**667,579,303**
Loan from Ministry of Finance	**-**	**-**	**-**	**-**	**-**
Bank overdraft	**39,676**	**39,676**	**-**	**-**	**39,676**
Lease liabilities	**91,092,327**	**35,532,585**	**62,841,240**	**69,120**	**98,442,945**
	686,924,158	**140,220,838**	**332,825,587**	**328,410,269**	**801,456,694**

		Contractual cash flows			
	Carrying Amount RO	Less than 1 year RO	1 to 5 Years RO	More than 5 years RO	Total RO
At 31 December 2021					
Non- derivative financial liabilities					
Accounts payables and accruals	70,547,102	70,547,102	-	-	70,547,102
Term loans (including interest)	608,783,532	84,815,325	479,393,511	140,288,937	704,497,773
Loan from Ministry of Finance	11,976,662	11,976,662	-	-	11,976,662
Bank overdraft	1,762,263	1,762,263	-	-	1,762,263
Lease liabilities	42,098,705	18,786,839	26,174,027	71,280	45,032,146
	735,168,264	187,888,191	505,567,538	140,360,217	834,815,946

The maturity profile of derivative financial instruments is given in note 15.

4.2 Capital risk management

The Group's objectives when managing capital is to safeguard the Group's ability to continue as a going concern, so that it can generate returns for members and benefits for other stakeholders.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to members, return capital to members, issue new shares, or sell assets.

4 Financial risk management (continued)

4.2 Capital risk management (continued)

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio (debt to total equity)

	2022 RO	2021 RO
Debt*	**654,120,142**	668,053,158
Net equity	**453,724,256**	399,936,646
Debt to equity ratio (times)	**1.442**	1.670

* Debt includes term loans, the loan from Ministry of Finance, loans from commercial banks, lease liabilities and excludes the deferred finance cost.

5 Use of judgements and estimates

5.1 Judgements

In the process of applying the Group's accounting policies, management has made the following significant judgements, apart from those involving estimations, which have the most significant effect in the amounts recognised in the financial statements:

(a) Functional currency

Management believe that using USD as functional currency realistically represents the economic substance of the underlying transactions, events and conditions. The factors determining the functional currency are the currencies of the functions. All the Group's sales are in USD. Most of the Group's expenses and finances are dominated in USD. The payroll is incurred in RO and some of the Group's finances are denominated in RO; however the amounts involved are insignificant and most of the functions are dominated in USD, therefore the functional currency is USD.

(b) Determination of cash generating unit

Management has assessed the entire fleet of a specific category of vessel as a single CGU. Among other things, the judgement effects on which basis an impairment test is performed. The CGUs are considered to be the VLCC fleet and the Dry bulk fleet. When determining that the fleet of vessel forms one single CGU, Management has considered the degree of interdependency between the vessels operating in the fleet in respect of commercial decisions, operating synergies and financial efficiencies. Management has concluded that the interdependency is of such extent that the cash inflows are not largely independent from each other and that, consequently, the entire fleet forms one CGU. When determining that the CGU is not at a lower level than the vessel fleet, Management has attached importance to the fact that fleet is managed as a portfolio, where revenue is shared on a pool basis and the vessels in the fleet as well as the cashflows are largely interchangeable.

5.2 Estimates and assumptions

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 Critical accounting estimates and judgements (continued)

5.2 Estimates and assumptions (continued)

(a) Impairment of financial assets at amortised cost

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses estimates in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's historical experience, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the note 10(h).

At the reporting date, gross trade accounts receivable were RO 19.147 million (2021 – RO 13.112million) and the impairment provision was RO 0.898 million (2021 - RO 0.613million). Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the statement of comprehensive income.

(b) Useful lives of property, vessels and equipment

The useful lives, residual values and methods of depreciation of property, vessel and equipment are reviewed, and adjusted if appropriate, at each financial year end. In the review process, the Group takes guidance from recent acquisitions, as well as market and industry trends. In accordance with its policy, the Group reviews the estimated useful lives and residual values of its property, vessel and equipment on an ongoing basis.

The impact on subsequent accounting periods of extending the useful lives of these assets will depend on acquisition of new of assets within the categories concerned. Accordingly, no specific forecasts can be made in respect of future periods.

(c) Impairment of vessels

The Group determines whether its non-financial assets are impaired when there are indicators of impairment as defined in IAS 36. This requires an estimation of the value-in-use of the cash-generating unit ('the CGU'), which constitutes the carrying value of the fleet of vessels (including vessel components) as at 31 December 2022. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

As a consequence of ongoing volatility in freight rates during 2022, the carrying value of the Group's VLCC fleet CGUs have been assessed for impairment. As of 31 December 2022, management performed an impairment test of the recoverable amount of significant assets within the cash-generating units of the Group. The carrying value of the CGUs as at 31 December 2022 was RO 359.679 million (2021 - RO 432.022 million).

The assessment of the value in use of the CGU was based on the net present value of the expected future cash flows. The freight rate estimates are based on 10-year historical average rates and are consistent with the Group's business plans. The Group believes that the approach used for long-term rates appropriately reflects the cyclical nature of the shipping industry and is the most reliable estimate for the periods considered in the assessment. The Group's assessment also considers the anticipated benefit arising from the installation of scrubbers on certain of the Group's VLCC fleet (the "scrubber premium"), based on current market differentials between the cost of heavy and low sulfur fuel oil. It has been assumed that this cost differential will prevail for the next four years.

The Operating expenses and administrative expenses are adjusted for 2.48% per annum. The discount rate used in the value in use calculation is based on a Weighted Average Cost of Capital (WACC) of 10.7% as of 31 December 2022. WACC is calculated by using a standard WACC model in which cost of equity, cost of debt and capital structure are the key parameters.

5 Critical accounting estimates and judgements (continued)

5.2 Estimates and assumptions (continued)

(c) Impairment of vessels (continued)

As of 31 December 2022, the 10-year historical average spot freight rates used in the value in use calculation are as follows:
• VLCC fleet: USD/day 30,000 (consisting of 15 VLCC's with DWT 300,000-325,000)

The vessels are expected to generate normal income for the entire duration of their useful life from the date of delivery from the shipyard. Given the current age profile of the underlying vessels, the average remaining life would be 8 years to 20 years for the VLCC fleet. The Group has used forecasted cashflows for the average remaining life for the VLCC fleet. The calculation of the value in use is sensitive to changes in the key assumptions which are related to the future development in freight rates, the WACC applied as discounting factor in the calculations, the development in operating expenses and the long-term scrubber premium.

All other things being equal, the sensitivities to the value in use have been assessed as follows:

• An increase/decrease in the freight rates of USD 1,000 per day would result in an increase in the value in use of RO 14.785 million in the VLCC fleet;
• An increase in WACC of 1% would result in a decrease in the value in use of RO 16.705 million. Furthermore, a decrease in WACC of 1% would result in an increase in the value in use of RO 18.258 million.
• An increase in inflation of 1 % would result in an increase in the value in use of RO 1.022 million. A decrease in inflation of 1% would result in a decrease in the value in use of RO 1.036 million.
• An increase/decrease in the long-term scrubber premium related to the VLCC fleet to 25% of the amount assumed would result in an increase/decrease in the value in use of RO 3.887 million.

However, if the downside sensitivities outlined above had been applied to the impairment test as of 31 December 2022, the value in use would decrease by RO 33.661 million for the VLCC fleet. If the upside sensitivities outlined above had been applied, value in use would increase by RO 36.674 million for the VLCC fleet.

As outlined above, the impairment test has been prepared on the basis that the Company will continue to operate its vessels as a fleet in the current set-up.

The Fair value was derived from the Clarksons' Shipping Weekly Report and adjusted for the age of the vessel.

The recoverable value is the higher of Fair value less costs to sell for the VLCC fleet was RO 401.118 million or the value in use of RO 336.312 million. The recoverable value is RO 401.118 million higher than the carrying value of RO 359.679 million, hence no impairment is charged in the current year.

6 Investment in subsidiaries

The Group has investments in the following subsidiaries:

(i) This subsidiary is a closed joint stock company engaged in hiring and chartering vessels.

(ii) This subsidiary is a closed joint stock company engaged in providing ship management services.

(iii) These subsidiaries are limited liability companies engaged in owning and operating liquefied natural gas tankers, which are operating on long term time charters.

(iv) These subsidiaries are limited liability companies engaged in owning and operating product tankers, which are operating on long-term time charter contracts.

(v) These companies own Very Large Crude Carriers (VLCCs) which are currently being operated in spot market.
(vi) These subsidiaries are formed in accordance with the Group's arrangement with a customer for chartering out four very large ore carriers (VLOC) on long-term time charter.
(vii) This subsidiary is a limited liability company engaged in container business.
(viii) These subsidiaries were formed in accordance with the Group's arrangement with a customer to provide ten Medium Range ("MR 2") vessels which will be chartered to the customer for 7 years extendable further for 3 years.
(ix) These subsidiaries are limited liability companies engaged in owning and operating bulk carriers, which are being operated in spot market.

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6 Investment in subsidiaries (continued)

Company name	Note reference	Country of incorporation	% Holding 2022	% Holding 2021
Oman Charter Company SAOC	(i)	Sultanate of Oman	**99.99%**	99.99%
Oman Ship Management Company SAOC	(ii)	Sultanate of Oman	**99.99%**	99.99%
Areej LNG Carrier S.A	(iii)	Republic of Panama	**80%**	80%
Tiwi LNG Carrier S.A	(iii)	Republic of Panama	**80%**	80%
Adam Maritime Transportation Company	(iii)	Marshall Islands	**100%**	100%
Dune LNG Carrier S.A	(iii)	Republic of Panama	**80%**	80%
Oryx LNG Carrier S.A	(iii)	Republic of Panama	**60%**	60%
Masirah Maritime Transportation Co. S.A	(iv)	Republic of Panama	**100%**	100%
Matrah Transportation Co. S.A.	(iv)	Republic of Panama	**100%**	100%
Al Amerat Transportation Company S.A	(iv)	Republic of Panama	**100%**	100%
Marbat Maritime Transportation Company	(v)	Marshall Islands	**-**	100%
Manah Maritime Transportation Company	(v)	Marshall Islands	**-**	100%
Mazyonah Maritime Transportation	(v)	Marshall Islands	**-**	100%
Seeb Maritime Transportation Company	(v)	Marshall Islands	**100%**	100%
As-Suwaiq Maritime Transportation	(v)	Marshall Islands	**100%**	100%
Thamreit Maritime Transportation	(v)	Marshall Islands	**100%**	100%
Ezki Maritime Transportation Company	(v)	Marshall Islands	**100%**	100%
Buka Maritime Transportation Company	(v)	Marshall Islands	**100%**	100%
Sifa Maritime Transportation Company	(v)	Marshall Islands	**100%**	100%
Fida Maritime Transportation Company	(v)	Marshall Islands	**100%**	100%
Daba Maritime Transportation Company	(v)	Marshall Islands	**100%**	100%
Taqah Maritime Transportation Company	(v)	Marshall Islands	**100%**	100%
Vale Liwa Maritime Transportation	(vi)	Marshall Islands	**100%**	100%
Vale Sohar Maritime Transportation	(vi)	Marshall Islands	**100%**	100%
Vale Shinas Maritime Transportation	(vi)	Marshall Islands	**100%**	100%
Vale Saham Maritime Transportation	(vi)	Marshall Islands	**100%**	100%
Oman Container Line Inc.	(vii)	Republic of Panama	**100%**	100%
Saiq Maritime Transportation Company	(v)	Marshall Islands	**100%**	100%
Saham Maritime Transportation Company	(v)	Marshall Islands	**100%**	100%
Samail Maritime Transportation Company	(v)	Marshall Islands	**100%**	100%
Muscat Silver Maritime Transportation	(viii)	Marshall Islands	**100%**	100%
Rustaq Silver Maritime Transportation	(viii)	Marshall Islands	**100%**	100%
Nakhal Silver Maritime Transportation	(viii)	Marshall Islands	**100%**	100%
Mahadah Silver Maritime Transportation	(viii)	Marshall Islands	**100%**	100%
Muhut Silver Maritime Transportation	(viii)	Marshall Islands	**100%**	100%
Yanqul Silver Maritime Transportation	(viii)	Marshall Islands	**100%**	100%
Dank Silver Maritime Transportation	(viii)	Marshall Islands	**100%**	100%
Madha Silver Maritime Transportation	(viii)	Marshall Islands	**100%**	100%
Sadah Silver Maritime Transportation	(viii)	Marshall Islands	**100%**	100%
Khasab Silver Maritime Transportation	(viii)	Marshall Islands	**100%**	100%
Jabal Al Misht Maritime Transportation	(ix)	Marshall Islands	**100%**	100%
Jabal Shams Maritime Transportation	(ix)	Marshall Islands	**100%**	100%
Dalkut Maritime Transportation Company	(v)	Marshall Islands	**100%**	100%
Sur Maritime Transportation Company	(v)	Marshall Islands	**100%**	100%
Bahla Maritime Transportation Company	(v)	Marshall Islands	**100%**	100%
Jabl Samhan Maritime Transportation	(ix)	Marshall Islands	**100%**	100%
Jabl Kawr Maritime Transportation	(ix)	Marshall Islands	**100%**	100%
Jabl Hafit Maritime Transportation	(ix)	Marshall Islands	**100%**	100%
Jabl Harim Maritime Transportation	(ix)	Marshall Islands	**100%**	100%
Jabl Al Rawdah Maritime Transportation	(ix)	Marshall Islands	**100%**	100%
Asyad Lines LLC	(vii)	Sultanate of Oman	**100%**	100%
Wadi Bani Khalid Maritime Transportation Company Limited	(vii)	Marshal Island	**100%**	100%
Asyad Shipping PTE. LTD	(i)	Singapore	**100%**	-

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7 Property, vessels and equipment

	Assets under construction RO	Vessels and dry docking costs RO	Computer equipment RO	Motor vehicles RO	Furniture and fixtures RO	Land and building	Total RO
Cost							
As at 1 January 2021	15,239,820	1,290,491,883	1,186,713	68,468	834,392	7,727,572	1,315,548,848
Additions	1,902,635	57,321,810	-	-	202	-	59,224,647
Transfer	(16,928,957)	16,928,957	-	-	-	-	-
Reversal	(211,439)	-	(54,137)	-	-	(426,130)	(691,706)
As at 31 December 2021	2,059	1,364,742,650	1,132,576	68,468	834,594	7,301,442	1,374,081,789
As at 1 January 2022	**2,059**	**1,364,742,650**	**1,132,576**	**68,468**	**834,594**	**7,301,442**	**1,374,081,789**
Additions	**5,047,758**	**11,568,276**	**27,143**	**30,096**	**46,900**	**184,479**	**16,904,652**
Disposals	**-**	**(130,809,899)**	**-**	**(25,000)**	**-**	**-**	**(130,834,899)**
Write off	**-**	**(5,084,620)**	**-**	**(43,468)**	**-**	**-**	**(5,128,088)**
As at 31 December 2022	**5,049,817**	**1,240,416,407**	**1,159,719**	**30,096**	**881,494**	**7,485,921**	**1,255,023,454**
Accumulated depreciation							
As at 1 January 2021	-	540,719,505	983,861	68,468	373,151	98,470	542,243,454
Depreciation	-	56,706,905	81,236	-	70,808	160,627	57,019,576
As at 31 December 2021	-	597,426,410	1,065,097	68,468	443,959	259,097	599,263,030
As at 1 January 2022	**-**	**597,426,410**	**1,065,097**	**68,468**	**443,959**	**259,097**	**599,263,031**
Depreciation	**-**	**56,523,467**	**49,336**	**3,060**	**81,842**	**147,143**	**56,804,848**
Disposals	**-**	**(79,060,976)**	**-**	**(25,000)**	**-**	**-**	**(79,085,976)**
Write offs	**-**	**(1,524,399)**	**-**	**(43,468)**	**-**	**-**	**(1,567,867)**
At 31 December 2022	**-**	**573,364,502**	**1,114,433**	**3,060**	**525,801**	**406,240**	**575,414,036**
Carrying amount							
As at 31 December 2022	**5,049,817**	**667,051,905**	**45,286**	**27,036**	**355,693**	**7,079,681**	**679,609,418**
As at 31 December 2021	2,059	767,316,241	67,479	-	390,635	7,042,345	774,818,759

7 Property, vessels and equipment (continued)

At 31 December 2022, vessels and dry-docking costs having carrying amount of RO 427,267,933 (2021 – RO 510,509,412) are pledged against borrowings availed by Group from banks. Details regarding the Group's obligations under its loan and its future commitments are set out in note 14. No borrowing costs were capitalised during 2022 (2021 - Nil).

Depreciation expense for the year is charged as follows:

	2022 **RO**	2021 RO
Vessel operating costs (note 24)	**56,523,468**	56,867,650
General and administrative expenses (note 26)	**281,380**	151,926
	56,804,848	57,019,576

8 Right-of-use assets

The consolidated statements of financial position and profit or loss shows the following amounts relating to lease of right of use assets:

	Land **RO**	**Properties** **RO**	**Vessels** **RO**	**Total** **RO**
Balance at 1 January	**33,748**	**-**	**40,428,412**	**40,462,160**
Additions to right-of-use assets		**189,803**	**72,331,874**	**72,521,677**
Adjustments	**-**	**-**	**13,906**	**13,906**
Depreciation charge for the year	**(884)**	**(10,545)**	**(24,597,357)**	**(24,608,786)**
Balance at 31 December	**32,863**	**179,258**	**88,176,835**	**88,388,957**

8.1 Amounts recognised in profit or loss

	2022 **RO**	2021 RO
Interest on lease liabilities	**2,860,858**	1,419,443

8.2 Amounts recognised in statement of cash flows

Total cash out flows for the leases	**26,681,401**	9,470,126

8.3 Depreciation expense for the year is charged profit or loss as follows:

	2022 **RO**	2021 RO
Vessel operating costs (note 24)	**24,597,357**	9,877,505
General and administrative expenses (note 26)	**11,429**	2,598
	24,608,786	9,880,103

9 Equity-accounted investees

	2022 RO	2021 RO
Carrying amount of investments:		
Interest in joint venture	**25,538,375**	33,316,442
Interests in associates	**-**	-
Balance at 31 December	**25,538,375**	33,316,442

The following table illustrates summarised information of the Group's investment in joint ventures and associate:

	Group's share of the joint ventures		Group's share of associate	
	2022 RO	2021 RO	2022 RO	2021 RO
Current assets	**12,910,715**	9,404,834	**-**	-
Non-current assets	**24,662,351**	41,185,163	**-**	-
Current liabilities	**(5,506,618)**	(7,355,887)	**-**	-
Non-current liabilities	**(6,528,073)**	(9,917,668)	**-**	-
Net assets	**25,538,375**	33,316,442	**-**	-
Share of revenue and profit:				
Revenue	**14,698,753**	18,048,105	**-**	-
Profit	**6,777,233**	3,267,852	**-**	-
Carrying amount of investment	**25,538,375**	33,316,442	**-**	-

The following table illustrates summarised information of the joint ventures and associates as included in their own management financial statements:

	Joint ventures		Associate	
	2022 RO	2021 RO	2022 RO	2021 RO
Current assets	**25,821,430**	**18,809,664**	-	-
Non-current assets	**49,324,702**	**82,370,326**	-	-
Current liabilities	**(11,013,236)**	**(14,711,775)**	-	-
Non-current liabilities	**(13,056,146)**	**(19,835,335)**	-	-
Net assets	**51,076,750**	**66,632,881**	**-**	-
Revenue	**29,397,508**	**36,096,212**	**-**	-
Profit	**13,554,466**	**6,535,703**	**-**	-

The following table illustrates the movement of the Group investment in joint ventures and associate:

	2022 RO	2021 RO
As at 1 January	**33,316,442**	30,198,511
Share of results of joint ventures and associate	**(6,777,233)**	3,267,852
Changes in fair value of cash flow hedges	**19,416**	119,579
Dividends received	**(1,020,250)**	(269,500)
At 31 December	**25,538,375**	33,316,442

9 Equity-accounted investees (continued)

Company name		Country of incorporation	% Holding 2022	% Holding 2021
Joint ventures				
Energy Spring LNG Carrier S.A.	i	Republic of Panama	**50**	50
Duqm Maritime Transportation Company S.A.	ii	Republic of Panama	**50**	50
Liwa Maritime Transportation Company S.A	iii	Republic of Panama	**50**	50
Haima Maritime Transportation Company S.A.	iv	Republic of Panama	**50**	50
Raysut Maritime Transportation Company S.A.	v	Republic of Panama	**50**	50
Al-Musanah Maritime Transportation Company S.A.	vi	Republic of Panama	**50**	50
Associate company				
Bakkah Shipping Company	vii	United Arab Emirates	**25**	25

(i) The company is a limited liability company and is engaged in operating a liquefied natural gas carrier. The Group's investment in the shares of the joint venture and the sponsor support agreement are assigned in favor of a lender to the joint venture against borrowing availed for financing the vessel.

(ii) On 29 November 2005, the Group along with Mitsui O.S.K. Lines formed a joint venture, Duqm Maritime Transportation Company S.A. for the primary purpose of acquiring, owning and operation of an a crude oil tanker.

(iii) On 21 June 2005 the Group along with Mitsui O.S.K. Lines formed a joint venture, Liwa Maritime for the primary purpose of operating vessel chartering business.

(iv) On 23 June 2006 the Group along with Mitsui O.S.K. Lines formed a joint venture, Haima Maritime for the primary purpose of acquiring, owning and operating an LR2 tanker.

(v) On 23 June 2006, the Group along with Mitsui O.S.K. Lines formed a joint venture, Raysut Maritime for the primary purpose of acquiring, owning and operating an LR2 tanker.

(vi) On 23 June 2006, the Group along with Mitsui O.S.K. Lines formed a joint venture, Al Musanah Maritime for the primary purpose of acquiring, owning and operating an LPG carrier vessel.

The Group has granted certain loans to its joint ventures, the details of which are included in note 10(b). These loans are denominated in United States Dollar and are secured partly against the joint venture partner's equity interest in the related joint venture.

(vii) In 2008, the Group acquired 25% of shares in Bakkah Shipping Company, a private joint stock company registered with the Economic Development Department, Dubai, UAE. The company is no longer operational and the Group's share in the investment has been fully provided for. Further, there are no unrecognised share of losses in respect of the associate, since the associate is no longer operational.

In 2010, in view of continuous losses and the management's intention to dispose this investment, a provision for impairment was made for full value of the investment.

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9 Equity-accounted investees (continued)

(a) Summarised financial information for joint ventures

Set out below is the summarised financial information for the joint ventures which are accounted for using the equity method.

Summarised statement of financial position:

2022	ENERGY RO	LIWA RO	RAYSUT RO	AL-MUSANAH RO	DUQM RO	HAIMA RO	TOTAL RO
ASSETS							
Non-current assets	12,577,950	-	9,878,398	17,023,452	40	9,844,862	49,324,702
Current assets							
- Cash and cash equivalents	5,108,608	1,635,931	1,246,820	2,476,969	11,511,819	560,797	22,540,944
- Other current assets	616,599	2,036,227	32,621	487,989	1,265	105,785	3,280,486
Total assets	18,303,157	3,672,158	11,157,839	19,988,410	11,513,124	10,511,444	75,146,133
EQUITY AND LIABILITIES							
Total equity	15,233,534	1,039,317	8,687,958	6,218,140	11,352,256	8,545,545	51,076,750
LIABILITIES							
Non-current liabilities							
- Financial liabilities (excluding trade payables)	-	-	376,790	12,304,600	-	374,756	13,056,146
- Other non-current liabilities	-	-	-	-	-	-	-
Current liabilities							
- Financial liabilities (excluding trade payables)	2,651,898	1,517,572	1,783,936	1,426,446	154,708	1,583,210	9,117,771
- Other current liabilities	417,725	1,115,269	309,155	39,224	6,160	7,933	1,895,466
Total liabilities	3,069,623	2,632,841	2,469,881	13,770,270	160,868	1,965,899	24,069,383
Total equity and liabilities	18,303,157	3,672,158	11,157,839	19,988,410	11,513,124	10,511,444	75,146,133

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9 Equity-accounted investees (continued)

(a) Summarised financial information for joint ventures (continued)

Summarised statement of profit or loss and other comprehensive income:

2022	ENERGY RO	LIWA RO	RAYSUT RO	AL-MUSANAH RO	DUQM RO	HAIMA RO	TOTAL RO
Charter hire	6,442,531	11,183,140	2,866,710	3,892,543	1,822,664	3,189,918	29,397,506
Operating costs	(2,970,742)	(14,693,706)	(923,968)	(1,392,366)	(787,671)	(1,035,224)	(21,803,677)
Depreciation	(3,219,840)	-	(1,082,097)	(1,994,762)	(919,839)	(1,138,381)	(8,354,919)
Operating profit/(loss)	251,949	(3,510,566)	860,645	505,415	115,154	1,016,313	(761,090)
Other non-operation income/(expenses)	(8,389,126)	(165,212)	(2,355)	(16,283)	(3,579,794)	24,992	(12,127,778)
Interest expense	(48,048)	-	(68,983)	(490,971)	(37,439)	(68,763)	(714,204)
Finance income	47,433	296	89	304	357	127	48,606
Net (loss)/profit	(8,137,792)	(3,675,482)	789,396	(1,535)	(3,501,722)	972,669	(13,554,466)

Reconciliation of summarised financial information:

2022	ENERGY RO	LIWA RO	RAYSUT RO	AL-MUSANAH RO	DUQM RO	HAIMA RO	TOTAL RO
Opening net assets 1 January	25,372,994	4,714,799	7,898,562	6,219,675	14,853,975	7,572,876	66,632,881
Profit for the year	(8,137,792)	(3,675,482)	789,396	(1,535)	(3,501,722)	972,669	(13,554,466)
Fair value adjustment	38,834	-	-	-	-	-	38,834
Dividend paid during the year	(2,040,500)	-	-	-	-	-	(2,040,500)
At 31 December	15,233,536	1,039,317	8,687,958	6,218,140	11,352,256	8,545,545	51,076,749
Investment in joint ventures	50%	50%	50%	50%	50%	50%	50%
Carrying value	7,616,767	519,659	4,343,979	3,109,070	5,676,128	4,272,772	25,538,375

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9 Equity-accounted investees (continued)

(a) Summarised financial information for joint ventures (continued)

Set out below is the summarised financial information for the joint ventures which are accounted for using the equity method as at 31 December 2021.

Summarised statement of financial position:

2021	ENERGY RO	LIWA RO	RAYSUT RO	AL-MUSANAH RO	DUQM RO	HAIMA RO	TOTAL RO
ASSETS							
Non-current assets	24,077,679	-	10,606,863	18,386,207	18,954,838	10,344,739	82,370,326
Current assets							
- Cash and Cash equivalents	5,088,466	3,685,722	661,897	2,828,855	2,268,465	1,242,234	15,775,639
- Other current assets	465,152	2,112,806	31,387	158,454	133,825	132,401	3,034,025
Total assets	29,631,297	5,798,528	11,300,147	21,373,516	21,357,128	11,719,374	101,179,990
EQUITY AND LIABILITIES							
Total equity	25,372,994	4,714,799	7,898,562	6,219,675	14,853,975	7,572,876	66,632,881
LIABILITIES							
Non-current liabilities							
- Financial liabilities (excluding trade payables)	-	-	1,883,970	13,613,600	2,464,000	1,873,765	19,835,335
- Other non-current liabilities	-	-	-	-	-	-	-
Current liabilities							
- Financial liabilities (excluding trade payables)	2,499,228	302,152	1,511,456	1,534,081	4,032,993	1,499,010	11,378,920
- Other non-current liabilities	1,759,075	781,576	6,160	6,160	6,160	773,723	3,332,854
Total liabilities	4,258,303	1,083,728	3,401,586	15,153,841	6,503,153	4,146,498	34,547,109
Total equity and liabilities	29,631,297	5,798,527	11,300,147	21,373,516	21,357,128	11,719,354	101,179,990

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9 Equity-accounted investees (continued)

(a) Summarised financial information for joint ventures (continued)

Summarised statement of profit or loss and other comprehensive income:

2021	ENERGY RO	LIWA RO	RAYSUT RO	AL-MUSANAH RO	DUQM RO	HAIMA RO	TOTAL RO
Charter hire	10,902,963	11,787,163	2,585,660	3,527,178	4,707,588	2,585,660	36,096,212
Operating costs	(2,109,227)	(13,532,368)	(1,131,494)	(1,271,121)	(1,244,149)	(1,033,694)	(20,322,053)
Depreciation	(2,977,128)	-	(1,136,056)	(1,950,719)	(1,411,416)	(1,068,611)	(8,543,930)
Operating profit	5,816,608	(1,745,205)	318,110	305,338	2,052,023	483,355	7,230,229
Other non-operation expenses	-	123,320	(2,357)	(16,263)	(1,888)	(2,352)	100,460
Interest expense	(345,830)	-	(50,294)	(289,907)	(61,488)	(50,611)	(798,130)
Finance income	1,997	659	84	245	78	81	3,144
Net profit	5,472,775	(1,621,226)	265,543	(587)	1,988,726	430,473	6,535,703

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Reconciliation of summarised financial information:

2021	ENERGY RO	LIWA RO	RAYSUT RO	AL-MUSANAH RO	DUQM RO	HAIMA RO	TOTAL RO
Opening net assets 1 January	20,200,061	6,336,025	7,633,019	6,220,263	12,865,250	7,142,403	60,397,021
Profit for the year	5,472,775	(1,621,226)	265,543	(587)	1,988,725	430,473	6,535,703
Fair value adjustment	239,157	-	-	-	-	-	239,157
Dividend paid during the year	(539,000)	-	-	-	-	-	(539,000)
At 31 December	25,372,993	4,714,799	7,898,562	6,219,676	14,853,975	7,572,876	66,632,881
Investment in joint ventures	50%	50%	50%	50%	50%	50%	50%
Carrying value	12,686,497	2,357,400	3,949,281	3,109,838	7,426,989	3,786,438	33,316,442

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 Financial assets

The Group holds the following financial assets:

	2022	
	Non-current RO	**Current RO**
Financial assets at amortised cost		
- Receivables under finance lease arrangements - note (a)	**131,218,334**	**6,841,760**
- Loans receivable - note (b)	**7,609,787**	**-**
	138,828,121	**6,841,760**
Financial assets at fair value through other comprehensive income – note (c)	**2,907**	**-**
Trade receivables - note (d)	**-**	**18,518,669**
Contract assets - note (e)	**-**	**8,342,512**
Other financial assets at amortised cost - note (f)	**-**	**4,610,378**
Bank balances and cash - note (g)	**-**	**129,644,369**
	138,831,028	**167,957,688**

	2021	
	Non-current RO	Current RO
Financial assets at amortised cost		
- Receivables under finance lease arrangements - note (a)	138,196,750	6,010,656
- Loans receivable - note (b)	7,858,702	-
	146,055,452	6,010,656
Financial assets at fair value through other comprehensive income – note (c)	2,907	-
Trade receivables - note (d)	-	12,498,560
Contract assets - note (e)	-	4,284,512
Other financial assets at amortised cost - note (f)	-	1,376,783
Bank balances and cash - note (g)	-	97,717,827
	146,058,359	121,888,338

(a) Receivables under finance lease arrangements

Four of the Group's subsidiaries entered into 20 years lease arrangements for very large ore carriers (VLOCs) with a third party (lessee). The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it does not retain the significant risks and rewards of ownership of these VLOCs and therefore has accounted the time charter party agreements as finance lease arrangements.

	2022 RO	2021 RO
Non-current portion	**131,218,334**	138,196,750
Current portion	**6,978,416**	6,192,470
Less: Expected credit loss allowance [note 10(h)]	**(136,656)**	(181,814)
	6,841,760	6,010,656

During 2022, the Group recognised interest income on lease receivables of Ro 17.79 million (2021: RO 18.54 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 Financial assets (continued)

(a) Receivables under finance lease arrangements (continued)

Future minimum lease receivables under finance lease together with the present value of the minimum lease receivables are as follows:

	2022 RO	2021 RO
Finance lease receivables		
- Current	**6,978,416**	6,192,470
- Non-current	**131,218,334**	138,196,750
Total finance lease receivable	**138,196,750**	144,389,220
Undiscounted lease payments to be received		
1 year	**23,871,093**	23,991,077
2 years	**24,240,910**	23,871,093
3 years	**23,383,440**	24,240,910
4 years	**23,500,333**	23,383,440
5 years	**23,855,015**	23,500,333
> 5 years	**130,499,778**	154,354,793
	249,350,569	273,341,646
Less : unearned finance income	**(111,153,819)**	(128,952,426)
	138,196,750	144,389,220

The receivable under finance lease arrangements is from a customer considered to be one of the largest ore producers in the world and therefore considered to be of good credit standing. Further, there are no past due finance lease receivables.

(b) Loans receivable

	2022 RO	2021 RO
Loan to a joint venture [note 18 & note 'i' below]	**5,497,800**	5,497,800
Loan to OJV3 [note 10(c)]	**2,136,776**	2,385,691
Less : Expected credit loss allowance [note 10(h)]	**(24,789)**	(24,789)
	7,609,787	7,858,702

(i) Loans provided to Al Musanah Maritime Transportation Company S.A., a joint venture, carries an effective annual interest rate of LIBOR plus 2% (2021 - LIBOR plus 2%).

(c) Financial assets at fair value through other comprehensive income(FVOCI)

Financial assets at fair value through other comprehensive income (FVOCI) comprise equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be more relevant. At 31 December 2022, the FVOCI financial assets consists of unquoted shares amounting to RO 2,907 (2021 : RO 2,907). The Group has a 40% preference share holding in OJV Cayman 3 Limited (OJV3).

The Group has granted a loan to OJV3 denominated in Japanese Yen amounting to RO 2,136,776 (2021 - RO 2,385,691), which carry an interest rate of 4% (2021– 4%).

(d) Trade receivables

	2022 RO	2021 RO
Trade receivables	**19,416,965**	13,112,369
Less: Expected credit loss allowance [note 10(h)]	**(898,296)**	(613,809)
	18,518,669	12,498,560

(i) Due to the short-term nature of the current receivables, their carrying amount approximates to their fair value.

10 Financial assets (continued)

(e) Contract assets

The Group has recognised the following assets related to contracts with customers:

	2022 RO	2021 RO
Contract assets relating to voyage charter contracts	**8,450,965**	4,419,917
Less: expected credit loss [note 10 (h)]	**(108,453)**	(135,405)
	8,342,512	4,284,512

(f) Other financial assets at amortised cost

Due from related parties [note 18]	**3,372,301**	1,211,048
Others	**1,298,511**	190,981
Less: Expected credit loss allowance [note 10(h)]	**(60,434)**	(25,246)
	4,610,378	1,376,783

(g) Cash and bank balances

Bank balances	**69,514,600**	33,316,406
Fixed term cash deposits (6 months) - (i)	**60,129,769**	64,401,421
	129,644,369	97,717,827
Less: Fixed term cash deposits (6 months) - (i)	**(60,129,769)**	(64,401,421)
Less: Margin deposits - (ii)	**(19,145,862)**	(16,477,451)
Cash and cash equivalents in consolidated balance sheet	**50,368,738**	16,838,955
Less: Bank overdraft	**(39,676)**	(1,762,263)
Cash and cash equivalents in consolidated cash flow statement	**50,329,062**	15,076,692

(i) Included in bank balances are deposits of RO 59,486,919 (2021 – RO 62,498,000) held with commercial banks in Sultanate of Oman. These deposits are denominated mainly in US Dollars and carry annual interest rates ranging between 4.00%-5.70% (2021 – 3.50%-5.00%). Fixed deposits also include accrued interest amounting to RO 642,849 (2021: RO 1,903,421).

(ii) Certain subsidiaries are required to maintain service deposit balances to comply with the requirement of loans held with commercial banks in Sultanate of Oman, Japan and Europe. As of 31 December 2022, the balances in these service deposit accounts are denominated in US Dollars and amounted to RO 19,145,862 (2021 - RO 16,477,451).

(iii) Cash and cash equivalents at year end comprise cash and cash equivalents of RO 50,368,738 (2021 - RO 16,838,955) and bank overdrafts of RO 39,676.

(h) Impairment of financial assets

Trade receivables and contract assets

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

10 Financial assets (continued)

(h) Impairment of financial assets (continued)

The expected loss rates are based on the payment profiles of sales over a period of 24 month before 31 December 2022 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has considered industry default rate forecasts issued by an external rating agency to incorporate forward-looking factor in its impairment assessment. The default rate forecasts issued by external agency are based on historic default rates for the industry and is adjusted for forward-looking macro-economic information (e.g., economic data from industry groups, associations or bodies). The Group has not experienced default from its customers over the past three years and accordingly the historical loss rate is 'nil' (2021 – 'nil') and therefore, the effective loss rate only consists of the forward looking factor (i.e. one year industry default forecast). Accordingly, loss rates and exposure at default are disclosed based on the industry wise classification of trade receivables and contract assets.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 365 days past due.

On that basis, the loss allowance as at 31 December 2022 was determined as follows:

Trade receivables and contract assets	**Amounts outstanding (RO)**	**Loss rates**	**Loss allowance**
Transportation: Cargo	**5,781,994**	**1.00%**	**57,820**
Energy: Oil & Gas	**19,030,000**	**1.10%**	**209,330**
Metals & Mining	**2,391,487**	**1.40%**	**33,481**
Beverage, Food, & Tobacco	**1,155**	**1.10%**	**12**
Total	**27,204,636**		**300,643**

Specific provisions against trade receivables at 31 December 2022 amounted to RO 663,294 (2021: RO 244,520).

If the ECL percentages would have fluctuated by 1%, the following impact on profit would have been observed:

	2022 RO Increase / Decrease	2021 RO Increase / Decrease
Other financial assets at amortised cost	**44,595**	949
Trade receivables	**187,537**	128,383
Contract assets	**84,510**	44,199

Loss allowance as at 31 December 2021 was determined as follows for trade receivables and contract assets:

Trade receivables and contract assets	**Amounts outstanding**	**Loss rates**	**Loss allowance**
Transportation: Cargo	4,573,506	2.5%	114,338
Energy: Oil & Gas	11,933,311	3.1%	369,019
Metals & Mining	666,335	2.8%	18,657
Consumer Industries: Beverage, food & tobacco	7,134	1.8%	128
Capital Industries: Containers, packaging & glass	84,605	2.8%	2,369
Capital Industries: Forest products & paper	22,875	0.8%	183
Total	17,287,766		504,694

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 Financial assets (continued)

(h) Impairment of financial assets (continued)
Financial assets at amortised cost

Management considers 'low credit risk' for entities based on its significant increase in credit risk criteria. The Group considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

Quantitative criteria: A ratings downgrade by two notches for rated entities.

Qualitative criteria: Other instruments from unrated entities are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.
Backstop: A backstop is applied and the financial instrument considered to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on its contractual payments.

All of the Group's financial assets at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses. The Group holds the vessels underlying the time charter contracts for finance lease receivables as collateral against the finance lease receivables which has been factored in the loss given default.

During the year, the following gains/(losses) were recognised in profit or loss in relation to impaired financial assets:
The closing loss allowances for trade receivables as at year end reconcile to the opening loss allowances as follows:

	2022	2021
	RO	RO
As at 1 January	**613,809**	463,824
Reversal of specific provision	**(12,567)**	(408)
Addition of specific provision	**431,341**	19,732
Expected credit losses recognized	**(134,287)**	130,661
As at 31 December	**898,296**	613,809

Expected credit loss on trade receivables	**(134,286)**	130,661
Expected credit loss on contract assets	**(26,952)**	81,828
Net movement in provisions during the year on:		
- Trade receivables (specific provision)	**418,774**	19,324
- Financial assets at amortised cost	**(45,158)**	(7,312)
- Other financial assets at amortised cost	**35,187**	(9,989)
Net impairment losses on financial and contract assets	**247,565**	214,512

11 Other current assets

	2022	2021
	RO	RO
Costs to fulfil contract	**2,000,509**	755,039
Advances	**10,109,120**	4,454,835
Prepaid expenses	**4,662,157**	2,891,358
Other receivables	**18,435**	4,383
	16,790,221	8,105,615

(a) The amount of RO 755,039 included in cost to fulfil contract at 31 December 2021 has been recognised as an expense in 2022 (2021: RO 540,354).

12 Share capital

	The Company			
	Authorized share capital		Issued and fully paid	
	2022	2021	**2022**	2021
	RO	RO	**RO**	RO
Shares	**350,000,000**	350,000,000	**130,218,606**	130,218,606

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13 Legal reserves

As required by the Commercial Companies Law of the Sultanate of Oman, the Parent Company and two of its subsidiaries, incorporated in the Sultanate of Oman, transfer 10% of their profit for the year to this reserve until such time as the statutory reserve amounts to at least one third of the respective company's capital.

The two Omani subsidiaries have discontinued such annual transfers as their reserves total one third of the respective subsidiary's issued share capital. The reserve is not available for distribution. The Group Company has transferred RO 2,477,328 (2021 - RO 3,131,754) to the legal reserve during the current year.

The balance at the end of the year represents amounts relating to the Company and its share of reserves of each of its two Omani subsidiaries below:

	2022	2021
	RO	RO
Relating to the Company	**11,291,368**	8,897,807
Relating to the Omani subsidiaries	**417,101**	333,334
	11,708,469	9,231,141

14 Interest bearing loans and borrowings

	2022	2021
	RO	RO
Term loans (i)	**562,988,139**	612,215,528
Bank overdrafts	**39,676**	1,762,263
Loan from Ministry of Finance (ii)	**-**	11,976,662
	563,027,815	625,954,453
Less: Deferred financing costs	**(2,590,754)**	(3,431,996)
Total loan amount	**560,437,061**	622,522,457
Current portion		
Term loans (i)	**58,274,723**	54,976,276
Loan from Ministry of Finance (ii)	**-**	11,976,662
Bank overdraft	**39,676**	1,762,263
Total current portion of interest bearing loans and borrowings	**58,314,399**	68,715,201
Non-current portion of interest bearing loans and borrowings	**502,122,662**	553,807,256

(i) The term loans are denominated in US Dollars and Rial Omani and are repayable in instalments of several denominations from quarterly to semi-annual repayments. These loans are secured against registered mortgage of related vessels and certain other securities.

The loans are secured against the vessels of the Group having carrying value of RO 427,267,933 (2021 – RO 510,509,412) that are assigned to the banks. The loans carry interest at variable rates based on LIBOR with margins ranging from 1.7% to 2.80% per annum.

The loan agreements contain certain restrictive covenants that include net debt, current ratio, tangible net worth, debt service, debt equity ratio, pattern of shareholding, payment of dividends, disposal of vessel, amendment to time charter party agreement and creation of charge over authorised security.

Loans from commercial banks are denominated in US Dollars, guaranteed by MOF to the extent of USD 560 million (RO 215.6 million) [2021 – USD 560 million (RO 215.6 million)]. Term loans also include accrued interest amounting to RO 4,055,850 (2021: RO 2,802,311).

(ii) In order to manage the interest rate risk, the Group has entered into certain interest rate hedging agreements, the details of which are set out in note 15.

14 Interest bearing loans and borrowings (continued)

Breach of loans covenants and the waivers

The specific loan agreements contain certain financial covenants which require that at testing date defined in the agreement. During the year ended 31 December 2022, the Group was in compliance with all loan covenants.

Reconciliation of liabilities arising from financing activities

	2021 RO	**Cash in flows RO**	**Cash out flows RO**	**Non-cash item RO**	**2022 RO**
Long term loans	625,954,453	**39,676**	**(64,219,854)**	**1,253,539**	**563,027,814**
Deferred finance cost	(3,431,996)	**-**	**-**	**841,242**	**(2,590,754)**
Lease liabilities	42,098,705	**-**	**(26,681,401)**	**75,675,023**	**91,092,327**
Liabilities arising from financing activities	664,621,162	**39,676**	**(90,597,162)**	**77,465,711**	**651,529,387**

Cash flows from financing activities include dividends paid during the year amounting to RO 3,980,900 (2021 - RO 4,188,800) which do not have any corresponding liability in the statement of financial position at the reporting date.

15 Derivative financial instruments

15.1 Relating to subsidiaries

In accordance with the requirements of loan agreements with certain commercial banks and with a view to cap exposure to fluctuating interest rates, certain subsidiaries of the Group have entered into interest rate hedging agreements with commercial banks.

The table below shows the fair values of the derivative financial instruments, which are equivalent to the market values, together with the notional amounts analysed by the term to maturities.

The notional amounts (i.e. the amounts of underlying liability being hedged by the derivatives), reference rates or indices and the fixed rates at which liabilities are hedged are the basis upon which changes in the values of derivatives are measured.

	2022 RO	2021 RO
Loan balances covered by hedging arrangements	**196,334,386**	256,334,970
Interest rate swaps used for hedging – assets/(liabilities)	**10,503,011**	(4,461,652)
Current portion - net	**5,186,444**	(3,578,649)
Non-current portion	**5,316,567**	(883,003)
Change in fair value of derivatives	**(14,964,663)**	(8,405,297)
Notional amounts by term to maturity:		
1 - 12 months	**32,973,045**	39,499,017
More than 1 up to 5 years	**148,226,029**	167,903,143
Over 5 years	**15,135,313**	48,932,810
	196,334,386	256,334,970

The following table illustrates the movement of the Group cash flow hedges in subsidiaries and associates:

Subsidiaries

	2022 RO	2021 RO
At 1 January	**4,461,652**	12,866,949
Charge for the year (note 27)	**(342,411)**	(4,333,223)
Changes in fair value	**(14,622,252)**	(4,072,074)
At 31 December	**(10,503,011)**	4,461,652

15 Derivative financial instruments (continued)

15.2 Relating to a joint venture

	2022 RO	2021 RO
At 1 January	**19,416**	138,995
Charge for the year	**(19,416)**	(119,579)
At 31 December	**-**	19,416

The Group's joint venture Energy Spring Carrier S.A. has entered into an interest rate swap agreement with a commercial bank with a view to cap its exposure to fluctuating interest rates.

As of 31 December 2022, the Group's share of future estimated cash flows of the swap instrument is Nil (2021 - negative fair value of RO 19,416).

16 Employee benefits

	2022 RO	2021 RO
At 1 January	**407,371**	443,703
Provision during the year	**208,325**	5,162
Paid during the year	**(42,383)**	(41,494)
At 31 December	**573,313**	407,371

In accordance with the provisions of IAS 19, the management has carried out an exercise to assess the present value of its obligations as at 31 December 2022 and 2021, using the projected unit credit method, in respect of employees' end of service benefits payable under the Oman Labour Law. Under this method an assessment has been made of an employee's expected service life with the Group and the expected basic salary at the date of leaving the service. Management has assumed average increment / promotion costs in line with the operating performance of the Group and expected future outlook. The expected liability at the date of leaving the service has been discounted to net present value using a discount rate of 4% (2021 – 4%).

17 Trade and other payables

	2022 RO	2021 RO
Trade payables	**14,069,091**	10,668,132
Accrued expenses	**16,044,700**	9,158,475
Withholding tax payable	**3,916,217**	3,873,899
Other payables	**21,529**	44,987,007
Amount due to related parties (note 18)	**1,343,239**	1,859,589
	35,394,776	70,547,102

18 Related parties

Related parties represent Ultimate Controlling Party (note 1), Immediate Parent Company (note 1), entities under common control of the Parent Company, joint ventures (note 9), directors and key management personnel of the Parent Company and its shareholders and entities controlled, jointly controlled or significantly influenced by such parties.

Transactions with related parties represent transactions with shareholders, directors and senior management of the Parent Company, and entities jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

The Group has applied the exemptions as allowed for 'Government entities' under IAS 24 – 'Related party disclosures', for disclosure of transactions and balances with another entity that is a related party because of the Government having control or jointly control of, or significant influence over, both the Group and the other entity, except for transactions and balances material to the Group.

Transactions with related parties included in the consolidated statement of comprehensive income are as follows:

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18 Related parties (continued)

Compensation of key management personnel

The details regarding remuneration of members of key management and directors' sitting fees during the year are as follows:

	2022 RO	2021 RO
Short-term benefits	**843,754**	741,435
Employees' end of service benefits	**16,077**	16,077
Directors sitting fees	**12,000**	11,400
	871,831	768,912

During the period, transactions with related parties are as follows:

	2022 RO	2021 RO
Income		
Vessel management fees from joint venture	**703,734**	670,234
Rental income	**136,394**	134,347
Interest income	**303,340**	222,071
Costs		
Interest cost (Ministry of Finance)	**-**	824,485
Dry dock costs with Oman Drydock Company SAOC (Entity under common control of the Immediate Parent Company)	**1,970,000**	6,619,269
Training expenses to International Maritime College (Entity under common control of the Immediate Parent Company)	**-**	129,212
Cost recharge from Asyad Group SAOC	**45,802**	8,457

At 31 December 2022 and 2021 the related party balances are as follows:

	Financial assets at amortised cost		**Financial liabilities at amortised cost**	
	2022 RO	2021 RO	**2022 RO**	2021 RO
Joint ventures	**8,800,560**	6,708,848	**1,042,489**	1,859,589
Asyad Group SAOC	**49,817**	-	**-**	-
Fellow subsidiary	**19,724**	-	**35,787**	-
Loan from Ministry of Finance (Ultimate Controlling Party)	**-**	-	**264,963**	11,976,662
	8,870,101	6,708,848	**1,343,239**	13,836,251

19 Lease liabilities

	2022 RO	2021 RO
Non-current lease liabilities	**58,784,394**	24,800,950
Current lease liabilities	**32,307,933**	17,297,755
	91,092,327	42,098,705
Land	**35,887**	36,196
Vessels	**90,876,267**	42,062,509
Office	**180,173**	-
Total lease liabilities	**91,092,327**	42,098,705
Land	**325**	309
Vessels	**32,247,655**	17,297,446
Office	**59,954**	-
Total current portion of lease liabilities	**32,307,933**	17,297,755
Non-current portion of lease liabilities	**58,784,394**	24,800,950

19 Lease liabilities (continued)

These liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as at date of measurement which were between 2.75% and 5.5% at the date of initial adoption.

The Group has entered into long-term charter contracts for leasing vessels, which it further engages in operations for generating revenue. It has also leased land and building for administrative purposes. The vessel lease contracts are typically entered into for a period of 3 to 15 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

The Group is not exposed to any future cash-flows from variable lease terms or residual value guarantees that are not reflected in the measurement of lease liabilities. There are no extension or early termination options with respect to lease liabilities.

20 Operating lease income

	2022 RO	2021 RO
Charter hire revenue	**63,901,420**	38,393,990

Charter hire income relates to income earned from the vessels in the pool.

The Group charters out vessels on time charter contracts which are typically made for periods of 1 to 6 years but may have extension options. The lease contracts contain terms and conditions designed to protect the Group's interest in the vessels, to protect its personnel and to ensure compliance with laws and regulations. These terms include specification of maximum limit of use, requirements to follow particular operating practices and requirement to inform the Group of changes in how an asset will be used.

Maturity analysis for lease payments to be received under operating lease

1 year	**61,605,370**	14,296,417
2 years	**44,813,793**	1,046,609
3 years	**20,019,752**	-
4 years	**17,358,632**	-
5 years	**12,682,807**	-
> 5 years	**3,370,114**	-

21 Revenue from contracts with customers

	2022 RO	2021 RO
Freight income	**187,465,941**	112,830,053
Charter revenue	**71,487,863**	66,714,329
Vessel operation and maintenance services	**6,294,265**	6,213,693
Vessel management services	**1,172,054**	1,122,676
	266,420,123	186,880,751

(a) All the revenue is recognised over the time as the performance obligation is satisfied over the time.

22 Voyage operating costs

	2022 RO	2021 RO
Bunker charges - inventory consumption	**70,757,769**	38,130,991
Port charges	**14,041,780**	11,561,491
Voyage expenses	**13,253,058**	13,051,811
	98,052,607	62,744,293

23 Staff costs

	2022 RO	2021 RO
Salaries, wages, and allowances	**9,128,499**	6,161,249
Employees' end of service benefits expenses (note 16)	**208,325**	5,162
Social security costs	**986,332**	779,341
Other staff expenses	**2,747,799**	1,904,982
	11,070,855	8,850,734

Staff cost has been charged as follows:

	2022 RO	2021 RO
General and administrative expenses (note 26)	**9,323,498**	7,166,733
Commercial expenses (note 25)	**1,747,357**	1,684,001
	11,070,855	8,850,734

24 Vessel operating costs

	2022 RO	2021 RO
Depreciation		
- owned assets (note 7)	**56,523,468**	56,867,650
- right-of-use assets (note 8)	**24,597,357**	9,877,505
Manning cost	**31,887,923**	30,771,375
Maintenance & repair	**15,809,639**	9,068,395
Insurance	**3,575,411**	3,666,574
Consumables & stores	**5,454,407**	4,770,307
Ship management fee	**187,884**	247,906
	138,036,089	115,269,712

25 Commercial expenses

	2022 RO	2021 RO
Commission expenses	**6,271,710**	3,173,092
Commercial staff costs (note 23)	**1,747,357**	1,684,001
	8,019,067	4,857,093

26 General and administrative expenses

	2022 RO	2021 RO
Administrative staff costs (note 23)	**9,323,498**	7,166,733
Legal and professional expenses	**419,775**	301,166
Repairs and maintenance	**308,275**	376,670
Information technology services	**414,735**	405,023
Depreciation - owned assets (note 7)	**281,380**	-
Depreciation - right-of-use assets (note 8)	**11,429**	2,598
Other administrative expenses	**96,498**	151,926
Withholding tax expenses	**-**	81,376
	10,855,590	8,485,492

27 Finance costs

	2022 RO	2021 RO
Interest on loans and borrowings	**21,755,441**	18,588,536
Interest expense on interest rate swap	**342,411**	4,333,223
Interest expenses on lease liabilities	**2,860,858**	1,419,443
Amortisation of deferred finance cost	**841,242**	1,058,155
	25,799,952	25,399,357

28 Finance income

	2022 **RO**	2021 RO
Interest income on cash and bank balances	**2,009,798**	3,759,633

29 Taxation

	2022 **RO**	2021 RO
Income tax expense		
Current year	**73,181**	181,602
Deferred tax expense		
Current year	**(1,774,389)**	234,768
In respect of prior year	-	-
	(1,701,208)	416,370
Non-current assets		
Deferred tax asset	**4,456,937**	2,682,549

Taxation represents the aggregate of the Omani income tax applicable to Group companies in accordance with Omani fiscal regulations. The tax authorities in the Sultanate of Oman follow the legal entity concept. There is no concept of Group taxation in Oman. Accordingly, each legal entity is taxable separately.

The reconciliation of tax on the accounting profit to tax charge in the consolidated income statement is given below. The applicable rate of tax is 15% (2021 - 15%).

	2022 **RO**	2021 RO
Profit before tax	**41,083,223**	21,157,139
Tax on accounting profit before tax @ 15%	**6,162,483**	3,173,571
Less tax effect of:		
Tax effect of subsidiaries' results not subject to taxation	**(2,697,147)**	1,738,210
Non-deductible expenses	**(5,166,978)**	(4,491,581)
Others	**434**	(3,830)
	(1,701,208)	416,370

Deferred income tax is calculated on all temporary differences under the liability method using a principal tax rate of 15% (2021 - 15%).The deferred tax asset in the statement of financial position and net deferred tax credit in the consolidated statement of comprehensive income are attributable to the following items:

	At 1 January 2022 RO	**Charge for the year RO**	**At 31 December 2022 RO**
2022			
Tax effect of accelerated depreciation	**41,888**	**24,775**	**66,663**
Provision for impairment losses on financial assets	**(9,360)**	**130**	**(9,230)**
Deferred tax on provision for impairment on investment in an associate	**(116,243)**	**-**	**(116,243)**
Deferred tax on provision for investment in joint ventures	**(307,983)**	**(83,420)**	**(391,403)**
Deferred tax on tax losses	**(2,290,851)**	**(1,715,874)**	**(3,961,332)**
Net deferred tax asset	**(2,682,549)**	**(1,774,389)**	**(4,456,937)**

29 Taxation (continued)

At 31 December 2022, the Group has recognised deferred tax asset of RO 4,456,937 (2021 – RO 2,682,549). Based on management's assessment, the Group will have sufficient future taxable profits to recover the asset.

	At 1 January 2021 RO	Charge for the year RO	At 31 December 2021 RO
2021			
Tax effect of accelerated depreciation	28,790	13,098	41,888
Provision for impairment losses on financial assets	(5,418)	(3,942)	(9,360)
Deferred tax on provision for impairment on investment in an associate	(116,243)	-	(116,243)
Deferred tax on provision for investment in joint ventures	(307,983)	-	(307,983)
Deferred tax on provision for impairment on investments in subsidiaries	-	-	-
Deferred tax on tax losses	(2,516,463)	225,612	(2,290,851)
Net deferred tax asset	(2,917,317)	234,768	(2,682,549)

(a) Asyad Shipping Company SAOC and Oman Ship Management Company SAOC

The tax rate applicable to the Company and Oman Ship Management Company SAOC (the subsidiary company) is 15% (2021 - 15%). For the purpose of determining the tax expense for the year, the accounting profit has been adjusted for tax purposes. Adjustments for tax purposes include items relating to both income and expense. The adjustments are based on the current understanding of the existing tax laws, regulations and practices.

The Company has recorded RO Nil current tax (2021 – Nil) and subsidiary has a tax payable of RO 73,181 (2021 – RO 181,568) respectively in the current year.

(b) Oman Charter Company SAOC

Oman Charter Company SAOC is not subject to taxation in Oman in accordance with the Article 116 (1) of the Oman Income Tax Law amended by Royal Decree 68/2000. Accordingly, the company has not provided for any tax liability under the Oman Income Tax Law.

(c) Panama subsidiaries

The Group's subsidiaries registered in the republic of Panama, are exempt from tax on their income arising from owning, chartering and operating Panama registered vessels as per Panama fiscal regulations.

(d) Marshall Islands subsidiaries

The Group's subsidiaries registered in the republic of Marshall Islands, are exempt from tax on their income arising from owning, chartering and operating Marshall Islands registered vessels as per Marshall Islands fiscal regulations. However, some of the Group's subsidiaries are subject to tax tonnage on vessel and other than payment of registry fee, the subsidiaries are not bound to pay any further tax.

	2022 RO	2021 RO
Unused tax credits on which no deferred tax asset has been recognised	**235,539,351**	259,869,860
Potential tax benefit @15%	**35,330,903**	38,983,840

30 Inventories

	2022 RO	2021 RO
Bunker fuel	**9,653,257**	12,497,719
Lubricants	**2,546,509**	2,202,064
	12,199,766	14,699,783

31 Contract liabilities

	2022 RO	2021 RO
Contract liabilities	**2,980,487**	1,876,504

The contract liabilities primarily relate to the advance consideration received from customers for the services to be provided in future year. This will be recognised as revenue when the performance obligation will be satisfied which is expected to occur in year 2023. The amount of RO 1,876,504 included in contract liability at 31 December 2021 has been recognised as income in 2022.

32 Commitments

The Group has vessel purchase commitments of 86.255 million as at 31 December 2022 (2021 - RO Nil).

At 31 December 2022, the Group had other capital commitments to the extent of RO 11,648 (2021 - RO 4.733 million).

33 Breakdown of expenses by nature

	2022 RO	2021 RO
Depreciation on ROU and PVE	**81,413,634**	66,899,679
Bunker charges	**70,757,769**	38,130,991
Manning cost	**31,887,923**	30,771,375
Port charges	**14,041,780**	11,561,491
Voyage expenses	**13,253,058**	13,051,811
Maintenance and repairs	**16,224,374**	9,445,065
Staff costs	**11,070,780**	8,850,733
Commission expenses	**6,271,710**	3,173,092
Consumables and stores	**5,490,023**	4,770,307
Insurance	**3,575,411**	3,666,574
Ship management fee	**187,884**	247,906
Legal and professional	**308,273**	301,166
Others	**49,320,402**	39,542,235
	303,803,021	230,412,426

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

34 Non – controlling interests

The following table summarizes the information relating to each of the Group's subsidiaries that has material NCI, before any intra Group eliminations.

31 December 2022	AREJ	TIWI	DUNE	ORYX	Total
NCI Percentage	20%	20%	20%	40%	
Non-current assets	21,536,857	20,434,856	21,862,135	20,670,802	84,504,650
Current assets	4,063,823	3,982,889	4,785,210	5,556,026	18,387,948
Non-current liabilities	7,539,707	5,716,148	-	3,617,040	16,872,895
Current liabilities	4,189,338	4,389,216	956,750	5,415,296	14,950,600
Net assets	13,871,635	14,312,380	25,690,595	17,194,493	71,069,104
Carrying amount of NCI	2,774,327	2,862,476	5,138,119	6,891,803	17,666,725
Revenue	9,907,702	9,975,963	6,044,740	10,470,472	36,398,877
Profit	4,259,046	4,383,956	1,301,074	5,502,502	15,446,578
OCI	970,939	1,134,093	-	471,870	2,576,903
Total comprehensive income	5,229,985	5,518,049	1,301,074	5,974,373	18,023,480
Profit allocated to NCI	851,809	876,791	260,215	2,201,001	4,189,816
OCI allocated to NCI	112,720	226,819	-	188,748	528,287
Cashflows from operating activities	6,581,823	7,525,320	4,249,950	10,884,886	29,241,979
Cashflows from investing activities	280,396	(62,811)	(2,517,450)	(1,821,531)	(4,121,397)
Cashflows from financing activities	(8,184,506)	(8,261,861)	(1,732,500)	(7,107,036)	(25,285,903)
Net change in cash and cash equivalents	(1,322,288)	(799,352)	-	1,956,319	(165,321)

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

34 Non – controlling interests (continued)

31 December 2021	AREJ	TIWI	DUNE	ORYX	Total
NCI Percentage	20%	20%	20%	40%	
Non-current assets	24,423,713	22,935,021	24,337,673	21,329,761	93,026,168
Current assets	4,918,664	4,463,270	2,559,417	3,317,917	15,259,268
Non-current liabilities	11,350,868	9,473,601	-	6,134,037	26,958,506
Current liabilities	4,575,858	3,949,022	775,069	2,946,506	12,246,455
Net assets	13,415,650	13,975,668	26,122,021	15,567,135	69,080,474
Carrying amount of NCI	2,683,130	2,795,134	5,224,404	6,226,854	16,929,522
Revenue	9,923,638	9,894,347	6,065,437	10,385,757	36,269,179
Profit	4,549,408	4,410,141	1,697,860	5,382,753	16,040,162
OCI	738,706	564,415	-	432,098	1,735,219
Total comprehensive income	5,288,114	4,974,556	1,697,860	5,814,851	17,775,381
Profit allocated to NCI	909,882	882,028	339,572	2,153,101	4,284,583
OCI allocated to NCI	147,741	112,883	-	172,839	433,463
Cashflows from operating activities	7,686,986	5,845,331	3,738,069	8,042,524	25,312,910
Cashflows from investing activities	(2,318,870)	(177,087)	(2,313,569)	(1,178,144)	(5,987,670)
Cashflows from financing activities	(7,730,598)	(7,764,848)	(1,424,500)	(8,221,205)	(25,141,151)
Net change in cash and cash equivalents	(2,362,482)	(2,096,604)	-	(1,356,825)	(5,815,911)

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35 Fleet operating performance

2022	LNG RO	VLCC RO	Tankers RO	Dry bulk RO	Container RO	VLOC RO	Others RO	Total RO
Charter hire income		20,542,267	12,587,096	30,772,058	-	-	-	63,901,420
Revenue from contracts with customers	44,004,380	96,147,306	45,149,551	16,027,904	57,264,058	6,294,265	1,532,661	266,420,123
Finance lease income	-	-	-	-	-	17,795,506	-	17,795,506
Other Income		432,105	1,733	-	368		141,980	576,186
Dividend Income	-	-	-	-	-		960,444	960,444
Gross revenue	44,004,380	117,121,678	57,738,379	46,799,962	57,264,426	24,089,771	2,635,085	349,653,680
Voyage operating costs	(1,612,261)	(53,055,852)	(8,336,953)	(8,370,506)	(26,486,127)	(109,013)	(81,895)	(98,052,607)
Time Charter Equivalent	42,392,119	64,065,826	49,401,426	38,429,455	30,778,298	23,980,759	2,553,190	251,601,072
Charter hire expense for short term leases		(943,055)	(14,593,579)	(7,348,404)	808,001			(22,077,038)
Vessel operating costs	(8,933,088)	(22,953,260)	(11,941,042)	(5,985,923)	(1,275,019)	(5,392,336)	(434,596)	(56,915,265)
Commercial expenses	(161,988)	(3,392,856)	(1,161,729)	(1,555,137)	-		(1,747,357)	(8,019,067)
General and administrative expenses	(7,045)	(41,781)	(18,215)	(8,583)	(96,355)	(5,435)	(10,385,365)	(10,562,779)
Earnings before interest, tax, depreciation and amortisation	33,289,997	36,734,874	21,686,861	23,531,408	30,214,925	18,582,987	(10,014,128)	154,026,924
Depreciation expenses	(12,288,644)	(36,009,625)	(7,331,343)	(7,656,078)	(17,268,657)	(606,053)	(253,234)	(81,413,634)
Earnings before interest and tax	21,001,353	725,248	14,355,518	15,875,330	12,946,268	17,976,934	(10,267,362)	72,613,290
Net finance cost	(1,525,310)	(6,125,574)	(2,624,220)	(2,505,954)	(1,071,551)	(2,673,402)	(7,264,143)	(23,790,154)
Net impairment losses on financial and contract assets	2,848	(214,788)	(13,149)	(4,270)	(3,932)	45,158	(59,433)	(247,565)
Net impairment losses on Fixed asset	-	(715,114)	-	-	-	-	-	(715,114)
Share of results of joint ventures and associates	(6,777,233)	-	-	-	-	-	-	(6,777,233)
Profit before tax	12,701,659	(6,330,228)	11,718,149	13,365,106	11,870,785	15,348,690	(17,590,938)	41,083,224
Income tax expense	-	-	-	-	(3,176)	-	1,704,383	1,701,208
Profit for the year	12,701,659	(6,330,228)	11,718,149	13,365,106	11,867,609	15,348,690	(15,886,555)	42,784,431

35 Fleet operating performance (continued)

2021	LNG RO	VLCC RO	Tankers RO	Dry bulk RO	Container RO	VLOC RO	Others RO	Total RO
Charter hire income and revenue from contracts with customers	32,954,628	10,287,127	18,886,009	15,783,318	6,217,683	-	-	84,128,765
Finance lease income	5,285,701	64,722,544	11,343,501	17,155,319	34,861,196	6,213,693	1,564,022	141,145,976
Gross revenue	-	-	-	-	-	18,541,259	-	18,541,259
Voyage operating costs	-	78,350	25,971	16,417	41,261	12,264	135,447	309,710
Time Charter Equivalent	38,240,329	75,088,021	30,255,481	32,955,054	41,120,140	24,767,216	1,699,469	244,125,710
Charter hire expense for short term leases	(1,355,794)	(35,711,788)	(1,804,599)	(3,783,235)	(19,799,028)	(149,934)	(139,914)	(62,744,292)
Vessel operating costs	36,884,535	39,376,233	28,450,882	29,171,819	21,321,112	24,617,282	1,559,555	181,381,418
Commercial expenses	-	-	(2,907,471)	(3,640,577)	(6,477,549)	-	-	(13,025,597)
General and administrative expenses	(7,422,374)	(20,304,227)	(10,505,211)	(5,137,434)	(987,804)	(3,931,710)	(389,529)	(48,678,289)
Earnings before interest, tax, depreciation and amortisation	(109,059)	(1,728,475)	(264,673)	(1,041,654)	(29,231)	-	(1,684,001)	(4,857,093)
Depreciation expenses	(5,101)	(26,808)	(11,645)	(11,756)	(57,365)	(3,499)	(8,216,507)	(8,332,681)
Earnings before interest and tax	29,348,001	17,316,723	14,761,882	19,340,398	13,769,163	20,682,073	(8,730,482)	106,487,758
Net finance cost	(12,053,491)	(33,724,936)	(6,913,619)	(5,643,961)	(7,202,747)	(927,139)	(278,342)	(66,744,235)
Net impairment losses on financial and contract assets	17,294,510	(16,408,213)	7,848,263	13,696,437	6,566,416	19,754,934	(9,008,824)	39,743,523
Share of results of joint ventures and associates	(2,112,998)	(5,857,243)	(2,944,782)	(1,743,915)	(492,975)	(3,117,837)	(5,369,974)	(21,639,724)
Profit before tax	-	(130,410)	(19,189)	-	(45,221)	-	(19,692)	(214,512)
Income tax expense	3,267,852	-	-	-	-	-	-	3,267,852
Profit for the year	18,449,364	(22,395,866)	4,884,292	11,952,522	6,028,220	16,637,097	(14,398,490)	21,157,139

36 Fair value of assets and liabilities

Fair value versus carrying amounts

The fair values of other financial assets at amortised costs is close to the carrying value because of the short term nature of the financial assets; except for finance lease receivables, which are long term in nature and are exposed to fair valuation risk due to variability in underlying interest rate. The fair value of loans receivable approximate to their carrying value due to no significant difference between the current market interest rates when compared with the interest rates on which the loans were extended.

(a) *Fair value measurements recognised in the statement of financial position:*

	Carrying amount					Fair value
	Fair value – hedging instrument RO	**Other financial assets RO**	**Other financial liabilities RO**	**Designated at fair value RO**	**Total RO**	**Level 3 RO**
2022						
Financial assets through Other Comprehensive Income	**-**	**-**	**-**	**2,907**	**2,907**	**2,907**
Receivables under finance lease arrangements	**-**	**138,060,094**	**-**	**-**	**138,063,001**	**138,063,001**
Loans receivable	**-**	**7,858,702**	**-**	**-**	**7,858,702**	**7,858,702**
Derivative instruments	**10,520,911**	**-**	**-**	**-**	**10,520,911**	**10,520,911**
	10,520,911	**145,918,796**		**2,907**	**156,445,521**	**156,445,521**
Derivative instrument	**17,899**	**-**	**-**	**-**	**17,899**	**17,899**
Interest bearing loans and borrowings	**-**	**-**	**560,397,385**	**-**	**560,397,385**	**560,397,385**
	17,899	**-**	**560,397,385**		**560,415,284**	**560,415,284**
2021						
Financial assets through Other Comprehensive Income	-	-	-	2,907	2,907	2,907
Receivables under finance lease arrangements	-	144,207,406	-	-	144,207,406	144,207,406
Loans receivable	-	7,858,702	-	-	7,858,702	7,858,702
Derivative instruments	1,270,929	-	-	-	1,270,929	1,270,929
	1,270,929	152,066,108	-	2,907	153,339,944	153,339,944
Derivative instrument	5,732,581	-	-	-	5,732,581	5,732,581
Interest bearing loans and borrowings	-	-	620,760,194	-	620,760,194	620,760,194
	5,732,581	-	620,760,194	-	626,492,775	626,492,775

ASYAD SHIPPING COMPANY SAOC AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

36 Fair value of assets and liabilities (continued)

(b) Fair value hierarchy

Type	Valuation technique	Significant unobservable inputs
Derivative instrument (Interest rate swaps)	Market comparison technique: fair value is calculated by the respective financial institutions.	Not applicable
Other financial liabilities	Discounted cash flows	Not applicable

There were no transfers between the levels during the current as well as the previous year.

Chapter XXVI
Undertakings

(1) Asyad Shipping Company SAOC (under transformation)

The Board of Directors of the Company jointly and severally hereby confirm that:

- The information provided in this Prospectus is true and complete.
- Due diligence has been taken to ensure that no material information has been omitted, the omission of which would render this Prospectus misleading.
- All the provisions set out in the Securities Law, the CCL, and the rules and regulations issued pursuant to them have been complied with.

On behalf of the Board of Directors (Authorised Signatories):

Name	Signature
	Sd/-
	Sd/-

(2) Issue Manager

Pursuant to our responsibilities under the CCL and the SAOG Executive Regulations, we have reviewed all the relevant documents and other material required for the preparation of this Prospectus pertaining to the issue of the shares of the Company.

The Board of Directors of the Company will bear the responsibility with regard to the correctness of the information provided for in this Prospectus, and they have confirmed that they have not omitted any material information from it, the omission of which would render this Prospectus misleading.

We confirm that we have undertaken the due diligence required by our profession with regard to this Prospectus, which was prepared under our supervision and, based on the reviews and discussions with the Company, its directors, officers and other related parties, we confirm the following:

- We have undertaken reasonable due diligence to ensure the information given to us by the Company and included in this Prospectus conform with the facts in the documents and other material of the Offer.
- To the best of our knowledge and from the information available from the Company, it has not omitted any material information, the omission of which would render this Prospectus misleading.
- This Prospectus and the Offer to which it relates conform with all the rules and terms of disclosure stipulated for in the Securities Law, the CML Executive Regulations of the Securities Law, the prospectus models applied by the FSA, the CCL, the SAOG Executive Regulations and the directives and decisions issued in this regard.

- The information contained in this Prospectus in the Arabic language (and the unofficial translation into the English language) is true, sound and adequate to assist the investor to take the decision as to whether or not to invest in the securities offered.

Issue Manager

Sd/-

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(3) Legal Adviser to Asyad Shipping Company SAOG (under transformation)

The legal adviser whose name appears below, hereby confirms that all the procedures taken for the Offer of the securities as described in this Prospectus are in line with the laws and legislations related to the business of the Company and the CCL, the Securities Law and the CML Executive Regulations and directives issued pursuant to them, the requirements and rules for the issue of shares issued by the FSA, the Articles of the Company, and the resolutions of the general meeting and Board of Directors of the Company. The Company has obtained all the consents and approvals of the official authorities required to carry out the activities described in this Prospectus.

MAQ Legal – Al Maamary, Al Abri & Co.

Sd/-

Asyad Shipping Company SAOC

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Muscat Governorate, Sultanate of Oman