



OMAN & EMIRATES INVESTMENT HOLDING CO. SAOG

**AUDITED FINANCIAL RESULTS
(PERIOD ENDED 31 DECEMBER 2022)**

INVESTOR SESSION
10th April 2023



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3. By accepting delivery of this presentation, the recipient agrees to accept and be bound by the statements, restrictions and limitations set forth herein.
4. Financial Statements for period ending 31 December 2022:
 - a. The financial information reported in this presentation is the result of the audit conducted by an independent external audit firm in accordance with International Standards on Auditing.
 - b. O&E, as Group, has consolidated the financial information of its associates and subsidiaries based on audited accounts of those associates and subsidiaries as at 31 December 2022.
 - c. The Group valued its investment in unquoted equity shares based on the valuation carried out by an independent valuer through the use of Net Assets model for business valuation. Refer to Note 7 to the consolidated and separate financial statements,



CONTENTS

1. OVERVIEW

1. OMAN & EMIRATES INVESTMENT HOLDING CO. SAOG
2. BUSINESS ENVIRONMENT 2022 AND OUTLOOK

2. CONDENSED FINANCIAL POSITION

1. PROFIT / (LOSS)
2. BALANCE SHEET

3. ANALYSIS OF MAJOR ITEMS

1. FINANCIAL ASSETS AT FVTPL
2. INVESTMENT IN ASSOCIATES
3. INVESTMENT IN SUBSIDIARIES
4. BANK OVERDRAFTS
5. TRADE AND OTHER PAYABLES
6. TERM LOAN
7. LOAN FROM GOVERNMENTS
8. DIVIDEND INCOME
9. NET PROFIT FROM FINANCIAL ASSETS AT FVTPL
10. RENTAL INCOME
11. SHARE OF (LOSS)/PROFIT FROM ASSOCIATES AND SUBSIDIARIES
12. STAFF COST

4. QUESTIONS



OVERVIEW

OMAN & EMIRATES INVESTMENT HOLDING CO. SAOG

Mission

Help realise the policies and fulfil the objectives of the Governments of Oman and United Arab Emirates in diversifying sources of non-oil based National Income and create socio-economic benefits through initiating, promoting, investing and implementing vital projects in various sectors of Industry.

Objectives

Strategic: Successful Technology Transfer and Absorption.

Social : Employment opportunities and training of Nationals.

Financial: Shareholder wealth creation.

Core Activity

Investment:

Funds in stocks, bonds and securities.

Project Development:

Identification, Evaluation, Investment and implementation.

shaping the future together ...





OVERVIEW

BUSINESS ENVIRONMENT 2022 AND OUTLOOK

1. Global Economy in 2022 and Future Outlook

- a. The global economic outlook worsened rapidly in the second half of 2022 and the shocks of **high inflation and global cost of-living crisis** will weigh heavily on the world economy in 2023.
- b. With aggressive **monetary tightening** in many countries, rapid **interest rate hikes** by the Federal Reserve, **currency depreciations** in developing countries, increasing **balance-of-payment pressures**, intensifying **debt sustainability risks**, etc. have created an **increasingly challenging macroeconomic and financial environment** where economies are at **risk of entering a vicious cycle of weak investment, slow growth and rising debt-servicing burdens**.
- c. The near-term economic outlook remains **highly uncertain as a myriad of economic, financial and geopolitical risks persist**.

2. GCC Outlook

- a. The regional economies had a **stellar performance** last year, growing at the fastest pace in almost 10 years on the back of an increase in oil production and growth of the non-oil sector. The Gulf region is **expected to outperform many developed economies in 2023** despite a slowdown in growth amidst a slower expansion of the energy sector and a weaker external environment.
- b. In Oman, the preliminary data released by the National Centre for Statistics and Information displayed a **sharp rise in the nominal GDP for 2022** (first surplus of RO 1.2 billion in over ten years) over the same period in the previous year as the economy continued to benefit from high hydrocarbon prices. Oman's 2023 budget estimates a **deficit of approximately 3% of its GDP reflecting an uncertain global economy** combined with the persisting financial and economic challenges such as higher interest rates, inflation, and the threat of looming global recession



PERFORMANCE 2022

CONDENSED FINANCIAL POSITION – PROFIT OR LOSS

	Notes	2022 Group RO	2021 Group RO	2022 Parent RO	2021 Parent RO
Income					
Interest income	22	10,984	-	10,984	-
Rental income		124,025	55,119	124,025	55,119
Brokerage commission income		158,129	102,883	-	-
Dividends income		753,691	878,252	631,506	770,134
Net income from financial assets at FVTPL	7	2,645,480	2,556,010	2,863,990	1,803,141
Gross profit on sale of food products	23	198,011	191,319	-	-
Share of (loss)/profit from Associates	9	(65,291)	415,612	272,533	75,672
Share of (loss)/profit from Subsidiaries		-	-	(277,208)	375,307
Asset management fees		120,140	244,494	-	-
Other income	24	110,180	84,466	41,010	18,481
Total income		4,055,349	4,528,155	3,666,840	3,097,854
Expenses					
Staff costs	25	(810,030)	(835,523)	(359,597)	(373,005)
Administrative expenses	26	(723,472)	(741,922)	(385,283)	(383,789)
Investments related expenses	27	(11,141)	(10,690)	(21,978)	(20,847)
Directors' remuneration		(75,000)	(50,000)	(75,000)	(50,000)
Provision for court settlement for former CEO	19 (a)	(292,870)	-	(292,870)	-
Total expenses		(1,912,513)	(1,638,135)	1,134,728	(827,641)
Net income/(loss)		2,142,836	2,890,020	2,532,112	2,270,213
Finance costs		(519,749)	(691,534)	(386,001)	(606,498)
Impairment loss on non-financial assets:					
- investment properties	13	-	(30,000)	-	-
Impairment reversal on financial instruments – net	6	151,408	-	130,875	-
		(368,341)	(721,534)	(255,126)	(606,498)
Profit before tax		1,774,495	2,168,486	2,276,986	1,663,715
Income tax	14	(129)	(322,609)	-	-
Profit after tax for the year		1,774,366	1,845,877	2,276,986	1,663,715
Attributable to:					
Owners of the Parent Company		2,084,274	1,521,782	2,276,986	1,663,715
Non-controlling interest		(309,908)	324,095	-	-
		1,774,366	1,845,877	2,276,986	1,663,715
Basic and diluted earnings per share	30	0.0171	0.0125	0.0187	0.0137



PERFORMANCE 2022

CONDENSED FINANCIAL POSITION – PROFIT OR LOSS

Particulars	30/6/2022 Parent RO	30/6/2021 Parent RO	Variation RO	%
Interest income	10,984			
Rental income	124,025	55,119	68,906	125%
Dividends income	631,506	770,134	(138,628)	-18%
Net income from financial assets at FVTPL	2,863,990	1,803,141	1,060,849	59%
Share of (loss)/profit from Associates	272,533	75,672	196,861	260%
Share of (loss)/profit from Subsidiaries	(277,208)	375,307	(652,515)	-174%
Other income	41,010	18,481	22,529	122%
Total income	3,666,840	3,097,854	568,986	18%
Expenses				
Staff costs	(359,597)	(373,005)	13,408	-4%
Administrative expenses	(385,283)	(383,789)	(1,494)	0%
Investment related expenses	(21,978)	(20,847)	(1,131)	5%
Directors' remuneration	(75,000)	(50,000)	(25,000)	50%
Provision for court settlement for former CEO	(292,870)		(292,870)	
Total expenses	(1,134,728)	(827,641)	(307,087)	37%
Net operating profit	2,532,112	2,270,213	261,899	12%
Finance costs	(386,001)	(606,498)	220,497	-36%
Impairment reversal on financial instruments	130,875			
Profit for the period before tax	2,276,986	1,663,715	613,271	37%
Income tax	-	-		
Profit for the period after tax	2,276,986	1,663,715	613,271	
Basic earnings per share	0.019	0.014	0.005	37%



PERFORMANCE 2022

CONDENSED FINANCIAL POSITION – BALANCE SHEET

	Notes	2022 Group RO	2021 Group RO	2022 Parent RO	2021 Parent RO
ASSETS					
Cash and bank balances	5	2,588,582	1,919,812	964,158	113,040
Trade and other receivables	6	1,487,530	1,075,767	206,666	40,850
Inventories		456,254	434,392	-	-
Financial assets at fair value through profit or loss (FVTPL)	7	14,641,548	20,481,259	10,883,176	16,651,253
Investment in equity accounted investees	9	15,798,771	16,100,249	14,231,630	14,110,383
Investment in subsidiaries	10	-	-	3,596,035	3,873,243
Financial assets at amortised cost	11	2,099,271	2,109,961	2,099,271	2,109,961
Property, plant and equipment	12	2,257,421	2,531,702	414,810	515,016
Investment properties	13	2,950,650	3,074,850	2,680,650	2,804,850
Right-of-use asset	12.1	385,565	43,577	-	-
Deferred tax asset	14	78,367	78,496	-	-
Total assets		42,743,959	47,850,065	35,076,396	40,218,596
EQUITY					
Share capital	15	12,187,500	12,187,500	12,187,500	12,187,500
Legal reserve	16	4,991,892	4,991,892	4,062,500	4,062,500
Retained earnings		5,977,493	3,893,219	7,969,803	5,692,817
Equity attributable to owners of the Parent					
Company		23,156,885	21,072,611	24,219,803	21,942,817
Non-controlling interest		3,175,730	3,485,638	-	-
Total equity		26,332,615	24,558,249	24,219,803	21,942,817
LIABILITIES					
Bank overdrafts	18	79,890	630,360	11,582	562,017
Trade and other payables	19	2,656,906	2,054,192	1,223,178	812,952
Lease liability	12.1	399,715	53,454	-	-
Term loans	20	2,121,833	3,100,810	2,121,833	3,100,810
Loans from Governments	21	10,461,120	16,136,924	6,808,120	12,483,924
Deferred Government grants	21	691,880	1,316,076	691,880	1,316,076
Total liabilities		16,411,344	23,291,816	10,856,593	18,275,779
Total equity and liabilities		42,743,959	47,850,065	35,076,396	40,218,596
Net assets per share	31	0.190	0.173	0.199	0.180



PERFORMANCE 2022

CONDENSED FINANCIAL POSITION – BALANCE SHEET

31/12/2022
31/12/2021

Particulars	31/12/2022 Parent RO	31/12/2021 Parent RO	Variation RO	%
ASSETS				
Cash and cash equivalents	964,158	113,040	851,118	752.9%
Trade and other receivables	206,666	40,850	165,816	405.9%
Financial assets at FVTPL	10,883,176	16,651,253	(5,768,077)	-34.6%
Investment in Associates	14,231,630	14,110,383	121,247	0.9%
Financial assets at amortised cost	2,099,271	2,109,961	(10,690)	-0.5%
Investment in Subsidiaries	3,596,035	3,873,243	(277,208)	-7.2%
Property, plant and equipment	414,810	515,016	(100,206)	-19.5%
Investment properties	2,680,650	2,804,850	(124,200)	-4.4%
Total assets	35,076,396	40,218,596	(5,142,200)	-12.8%
LIABILITIES				
Bank overdrafts	11,582	562,017	(550,435)	-97.9%
Trade and other payables	1,223,178	812,952	410,226	50.5%
Term loans	2,121,833	3,100,810	(978,977)	-31.6%
Loans from Governments	6,808,120	12,483,924	(5,675,804)	-45.5%
Deferred Government grant	691,880	1,316,076	(624,196)	-47.4%
Total liabilities	10,856,593	18,275,779	(7,419,186)	-40.6%
EQUITY ATTRIBUTABLE TO OWNERS OF PARENT				
Share capital	12,187,500	12,187,500	-	-
Legal reserve	4,062,500	4,062,500	-	-
Retained earnings	7,969,803	5,692,817	2,276,986	40.0%
Equity attributable to the owners of the parent	24,219,803	21,942,817	2,276,986	10.4%
Total equity and liabilities	35,076,396	40,218,596	(5,142,200)	
Net assets per share	0.199	0.180	0.019	10.4%
BORROWINGS				
Loans from Governments	7,500,000	13,800,000	(6,300,000)	-45.7%
Commercial borrowings	2,133,415	3,662,827	(1,529,412)	-41.8%
Total borrowings	9,633,415	17,462,827	(7,829,412)	-44.8%
Debt/Equity ratio	0.40	0.80		

PERFORMANCE 2022

ANALYSIS OF MAJOR ITEMS



1. FINANCIAL ASSETS AT FVTPL

DEC 2022: RO 10,883,176 (DEC 2021: RO 16,651,253)

1. Variance is mainly due to following reasons:

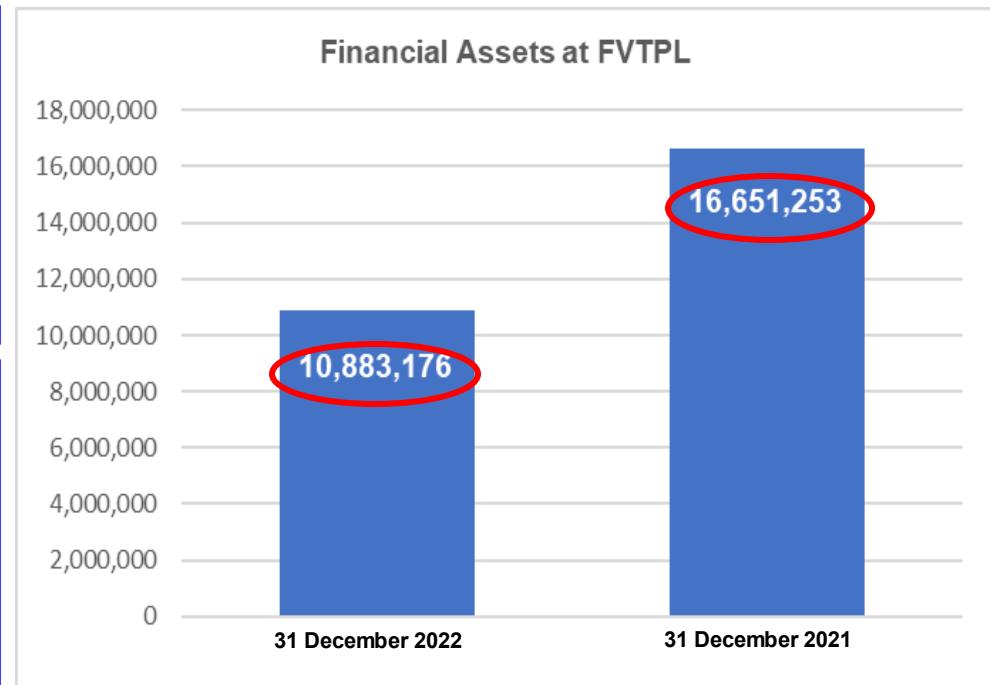
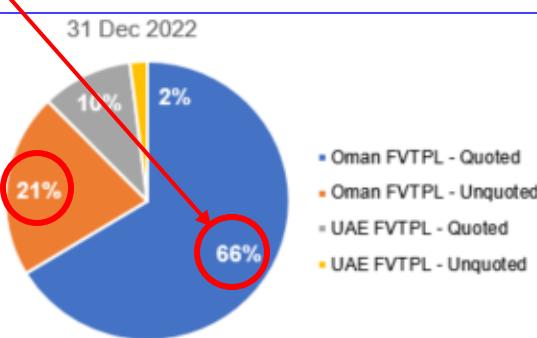
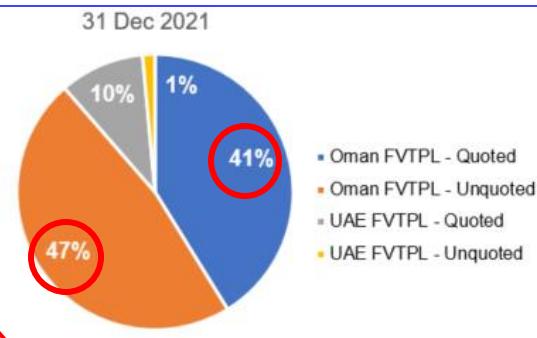
- a. Disposal of unquoted investments in Oman (carrying value-RO 6.51 million). Major disposals are in Octal Holding Company SAOC and National Finance Company SAOG;
- b. Unrealized loss of RO 160K on Oman unquoted investments, mainly from Iskan Oman Investment Company SAOC; and
- c. Unrealized loss of RO 212K on UAE quoted investments from Al Wathba Insurance.

2. Partly offset by:

- a. Unrealized gain of RO 1.19 million on quoted investments in Oman (mainly from Bank Muscat).

1. Pie chart shows 25% increase in overall investment in quoted securities which is due to:

- Disposal of unquoted investments in Oman; and
- Unrealized gain on in Oman quoted securities.





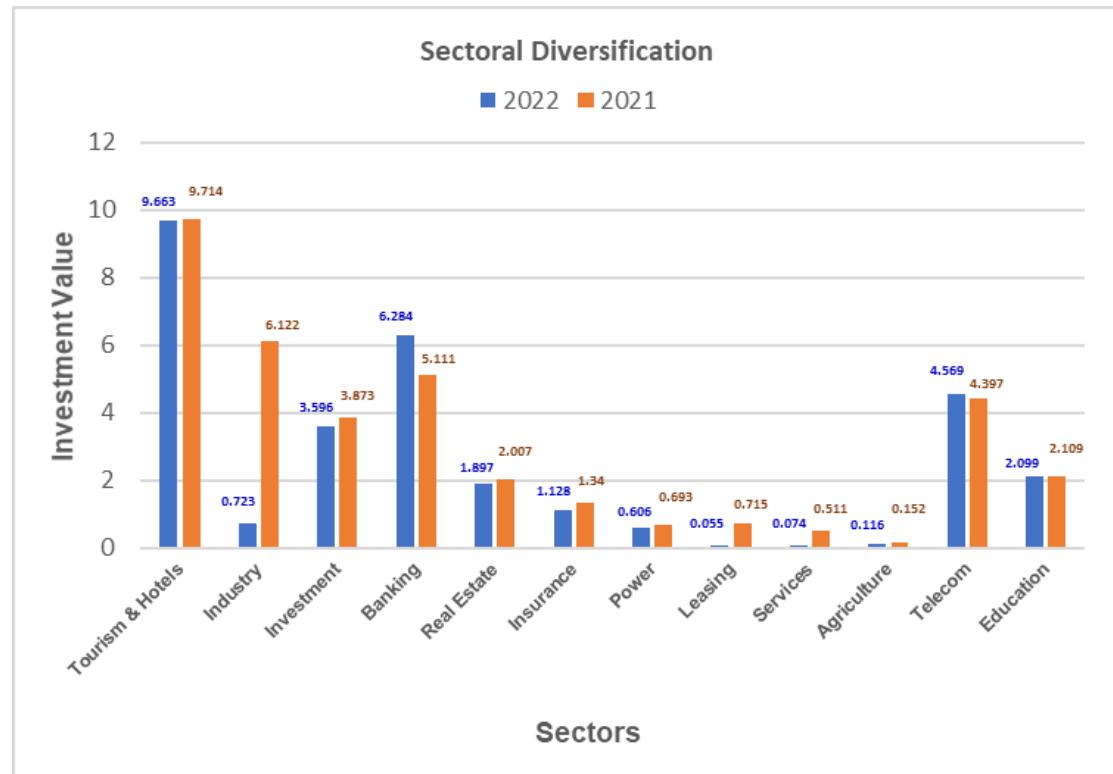
PERFORMANCE 2022

ANALYSIS OF MAJOR ITEMS

1. FINANCIAL ASSETS AT FVTPL – SECTORAL DIVERSIFICATION

DEC 2022: RO 10,883,176 (DEC 2021: RO 16,651,253)

- 1. Decline in industry, power, leasing, insurance, service, real estate and agriculture comprising 42% of total investments.
- 2. Value of these sectors declined by 60% (RO 6.96 M) due to:
 - a. Net fair value loss of RO 1.19 million on quoted investments – Unrealized;
 - b. Net fair value loss of RO 160K on Oman unquoted investments - Unrealized;
 - c. Carrying value of disposed unquoted securities of RO 5.42 million with OCTAL Holding Company SAOC counting for RO 5.15 M (realized gain: RO 2.12 million).





PERFORMANCE 2022

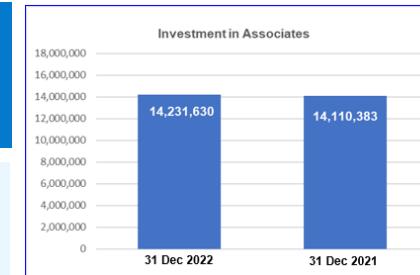
ANALYSIS OF MAJOR ITEMS

2. INVESTMENT IN ASSOCIATES

DEC 2022: RO 14,231,630

(DEC 2021: RO 14,110,383)

Investment in Associates increased by a net of RO 121K from the year end through share of profit (RO 272K), dividend received (RO 151K).

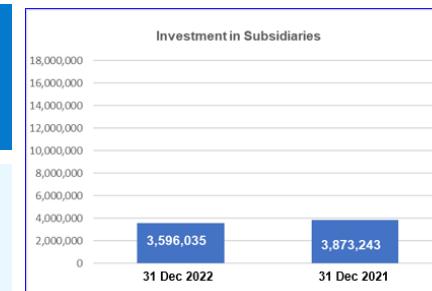


3. INVESTMENT IN SUBSIDIARIES

DEC 2022: RO 3,596,035

(DEC 2021: RO 3,873,243)

1. O&E follows equity accounting for its subsidiaries and any change represents the share of profit / (loss) from its subsidiary.
2. During the period ended 31 Dec 2022, share of loss from its subsidiary amounted to RO (277K).



PARTICULARS	Financial Assets - Equity (FVTPL)	Financial Assets - Debt (Amortised Cost)	Associates (NAV Basis)	Subsidiaries (NAV Basis)	Total
At 01.01.2021	19.811	2.121	17.133	3.498	42.563
At 01.01.2022	16.651	2.11	14.11	3.873	36.744
Purchases			-	-	-
Less: Cost of Sales	(6.560)		-	-	(6.560)
Add: Unrealized gain/(loss)	0.792	-	-	-	0.792
Add: Share of Results	-	-	0.273	(0.277)	(0.004)
Add: Realised Gains					
Less: Divestment of Investment	-			-	
Less: Dividend received			(0.151)		(0.151)
Less: Amortisation of placement charges		(0.011)			(0.011)
At 31.12.2022	10.883	2.099	14.232	3.596	30.81
% to Total	35.32%	6.81%	46.19%	11.67%	100%



PERFORMANCE 2022

ANALYSIS OF MAJOR ITEMS

4. BANK OVERDRAFTS

DEC 2022: RO 11,582 (DEC 2021: RO 562,017)



During the period, the Parent Company's overdraft reduced by RO 550K.

5. TRADE AND OTHER PAYABLES

DEC 2022: RO 1,223,178 (DEC 2021: RO 812,952)



The net increase of RO 410K is mainly due to penal interest accrued on overdue repayment of loan from Governments partially offset by repayment of current obligations and the provision made in relation to former CEO's legal case.

6. TERM LOAN

DEC 2022: RO 2,121,833 (DEC 2021: RO 3,100,810)



Parent Company's term loans were reduced by RO 979K.

7. LOAN FROM GOVERNMENTS

DEC 2022: RO 7,500,000 (DEC 2021: RO 13,800,000)



The Parent Company repaid a loan of RO 6,300,000.

8. DIVIDEND INCOME

DEC 2022: RO 631,506 (DEC 2021: RO 770,134)



Total dividend income of RO 631K was received mainly from banking, education and insurance investments.



PERFORMANCE 2022

ANALYSIS OF MAJOR ITEMS

9. NET PROFIT FROM FINANCIAL ASSETS AT FVTPL DEC 2022: RO 2,253,645 (JUNE 2021: RO 410,346)



The overall net gain of RO 1.84 M contributed from securities resulted from a combination of un-realised gain (RO 0.676 M), decline in the fair value of securities during the period (RO 0.29M) and the net realised gain from sale of Octal Holding Company (RO 1.92 M).

10. RENTAL INCOME DEC 2022: RO 124,025 (DEC 2021: RO 55,119)



During the period, 16 units were rented compared to 7 units rented out during the period ended 31 December 2022 which has resulted in increase in the rental income.

11. SHARE OF (LOSS)/PROFIT FROM ASSOCIATES & SUBSIDIARIES - NET DEC 2022: (RO 172,319) (DEC 2021: RO 494,958)



During the period, the Parent Company recorded net share of loss of RO (5K) from profit from Associates RO 273K and loss from Subsidiaries (RO 277K).

12. STAFF COST DEC 2022: RO 359,597 (DEC 2021: RO 373,005)



Staff costs reduced by 4% compared to 2021.



CONTENTS

1. OVERVIEW

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3. ANALYSIS OF MAJOR ITEMS

1. FINANCIAL ASSETS AT FVTPL
2. INVESTMENT IN ASSOCIATES
3. INVESTMENT IN SUBSIDIARIES
4. BANK OVERDRAFTS
5. TRADE AND OTHER PAYABLES
6. TERM LOAN
7. LOAN FROM GOVERNMENTS
8. DIVIDEND INCOME
9. NET PROFIT FROM FINANCIAL ASSETS AT FVTPL
10. RENTAL INCOME
11. SHARE OF (LOSS)/PROFIT FROM ASSOCIATES AND SUBSIDIARIES
12. STAFF COST

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THANK YOU