



## **OMAN & EMIRATES INVESTMENT HOLDING CO. SAOG**

**AUDITED FINANCIAL RESULTS  
(YEAR ENDED 31 DECEMBER 2023)**

**INVESTOR SESSION**  
8<sup>th</sup> April 2024



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4. Financial Statements for period ending 31 December 2023:
  - 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 2023.
  - 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,



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# OVERVIEW

## BUSINESS ENVIRONMENT 2023 AND OUTLOOK

### 1. Global Economy in 2023 and Future Outlook

- a. The global economy experienced a **slower growth rate**, marked by **high interest rates**, inflation, and **geopolitical tensions**. The international outlooks published over the last several years have come with a **high degree of uncertainty and the outlook for 2024 will be more of the same under elevated geopolitical risks**.
- b. The **IMF global growth forecast of 3.1% for 2024** is below the historical average, with **elevated central bank policy rates** to fight inflation, a withdrawal of fiscal support amid **high debt weighing on economic activity**, and low underlying productivity growth.
- c. **Uncertainties will remain** in the international outlook under elevated geopolitical risks, with the Russian war in Ukraine continuing and the potential for a large-scale conflict emerging in the Middle East. These **conflicts will play out against the backdrop of many countries** still facing challenges with above-normal inflation and **lowered prospects for growth in economic activity**.

### 2. GCC Outlook

- a. Growth in the Gulf Cooperation Council (GCC) countries **remained remarkably resilient in 2023**. The contraction in oil sector activities was largely offset by **expansion in the non-oil sector** buoyed by government investments linked to various **economic diversification agendas** taking place across the GCC. There are **reasons to be optimistic** about the potential economic performance of countries in the region and **GDP growth in 2024 is expected to strengthen at 3.7%**.
- b. Oman's economy is expected to achieve a **growth of 3% during 2024** while continuing to maintain annual inflation at moderate levels. This growth is mainly attributed to an **increase in the value-added of non-oil activities**. The IMF recently stated that **Oman's economic outlook remains favorable**. Supported by favorable oil prices and sustained reform momentum, Oman's economic recovery continues, and inflation remains contained with the government interventions through subsidies on food and fuel products.



# PERFORMANCE 2023

## STATEMENT OF – PROFIT OR LOSS

	Notes	2023 Group	2022 Group	2023 Parent Company	2022 Parent Company
<b>Income</b>					
Interest income	24	257	10,984	257	10,984
Rental income		144,238	124,025	144,238	124,025
Brokerage commission income		154,996	158,129	-	-
Dividends income		743,782	753,691	549,981	631,506
Net income from financial assets at fair value through profit or loss	8	(63,825)	2,645,480	(299,989)	2,863,990
Gross profit on sale of food products	25	211,975	198,011	-	-
Share of profit / (loss) from investments in Associates	10	948,346	(65,291)	682,315	272,533
Share of profit / (loss) from investments in Subsidiaries	11	-	-	256,197	(277,208)
Asset management fees		133,305	120,140	-	-
Other income	26	56,832	110,180	1,737	41,010
<b>Total income</b>		<b>2,329,906</b>	<b>4,055,349</b>	<b>1,334,736</b>	<b>3,666,840</b>
<b>Expenses</b>					
Staff costs	27	(781,401)	(810,030)	(348,425)	(359,597)
Administrative expenses	28	(738,993)	(723,472)	(395,753)	(385,283)
Investments related expenses	29	(11,853)	(11,141)	(11,853)	(21,978)
Directors' remuneration	34	(98,000)	(75,000)	(68,000)	(75,000)
Reversal of allowance for expected credit loss	7	-	151,408	-	130,875
Provision for court settlement for former Chief Executive Officer	21	-	(292,870)	-	(292,870)
<b>Total expenses</b>		<b>(1,630,247)</b>	<b>(1,761,105)</b>	<b>(824,031)</b>	<b>(1,003,853)</b>
<b>Net income</b>		<b>699,659</b>	<b>2,294,244</b>	<b>510,705</b>	<b>2,662,987</b>
Finance costs		(297,670)	(519,749)	(164,371)	(386,001)
<b>Profit before tax for the year</b>		<b>401,989</b>	<b>1,774,495</b>	<b>346,334</b>	<b>2,276,986</b>
Income tax	30	(17,296)	(129)	-	-
<b>Profit after tax and total comprehensive income for the year</b>		<b>384,693</b>	<b>1,774,366</b>	<b>346,334</b>	<b>2,276,986</b>
<b>Attributable to:</b>					
Owners of the Parent Company		179,933	2,084,274	346,334	2,276,986
Non-controlling interest		204,760	(309,908)	-	-
		384,693	1,774,366	346,334	2,276,986
<b>Basic and diluted earnings per share</b>	32	<b>0.001</b>	<b>0.017</b>	<b>0.003</b>	<b>0.019</b>



# PERFORMANCE 2023

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

PARTICULARS	2023 Parent Company	2022 Parent Company	Variance	%
<b>Income</b>				
Interest income	257	10,984	(10,727)	-98%
Rental income	144,238	124,025	20,213	16%
Dividends income	549,981	631,506	(81,525)	-13%
Net income from financial assets at fair value through profit or loss	(299,989)	2,863,990	(3,163,979)	-110%
Share of profit /(loss) from investments in Associates	682,315	272,533	409,782	150%
Share of profit /(loss) from investments in Subsidiaries	256,197	(277,208)	533,405	-192%
Other income	1,737	41,010	(39,273)	-96%
<b>Total income</b>	<b>1,334,736</b>	<b>3,666,840</b>	<b>(2,332,104)</b>	<b>-64%</b>
<b>Expenses</b>				
Staff costs	(348,425)	(359,597)	11,172	-3%
Administrative expenses	(395,753)	(385,283)	(10,470)	3%
Investments related expenses	(11,853)	(21,978)	10,125	-46%
Directors' remuneration	(68,000)	(75,000)	7,000	-9%
Reversal of allowance for expected credit loss	-	130,875	(130,875)	-100%
Provision for court settlement for former Chief Executive Officer	-	(292,870)	292,870	-100%
<b>Total expenses</b>	<b>(824,031)</b>	<b>(1,003,853)</b>	<b>179,822</b>	<b>-18%</b>
<b>Net income</b>	<b>510,705</b>	<b>2,662,987</b>	<b>(2,152,282)</b>	<b>-81%</b>
Finance costs	(164,371)	(386,001)	221,630	-57%
<b>Profit before tax for the year</b>	<b>346,334</b>	<b>2,276,986</b>	<b>(1,930,652)</b>	<b>-85%</b>
Income tax	-	-	-	-
<b>Profit after tax and total comprehensive income for the year</b>	<b>346,334</b>	<b>2,276,986</b>	<b>(1,930,652)</b>	<b>-85%</b>
<b>Basic and diluted earnings per share</b>	<b>0.003</b>	<b>0.019</b>		



# PERFORMANCE 2023

## STATEMENT OF FINANCIAL POSITION – BALANCE SHEET

		2023	2022	2023	2022
	Notes	Group	Group	Parent Company	Parent Company
<b>ASSETS</b>					
Cash and bank balances	6	1,419,372	2,588,582	266,746	964,158
Trade and other receivables	7	1,307,712	1,487,530	74,976	206,666
Inventories		446,409	456,254	-	-
Financial assets at fair value through profit or loss (FVTPL)	8	14,731,511	14,641,548	10,375,967	10,883,176
Investment in equity accounted investees	10	16,444,544	15,798,771	14,611,372	14,231,630
Investment in subsidiaries	11	-	-	3,852,231	3,596,035
Financial assets at amortised cost	12	-	2,099,271	-	2,099,271
Property, plant and equipment	13	1,993,075	2,257,421	326,283	414,810
Right-of-use asset	14	372,270	385,565	-	-
Investment properties	15	2,826,450	2,950,650	2,556,450	2,680,650
Deferred tax asset	17	61,071	78,367	-	-
<b>TOTAL ASSETS</b>		<b>39,602,414</b>	<b>42,743,959</b>	<b>32,064,025</b>	<b>35,076,396</b>
<b>EQUITY</b>					
Share capital	18	12,187,500	12,187,500	12,187,500	12,187,500
Legal reserve	19	5,062,733	4,991,892	4,062,500	4,062,500
Retained earnings		5,170,489	5,977,493	7,400,041	7,969,803
<b>Equity attributable to owners of the Parent Company</b>		<b>22,420,722</b>	<b>23,156,885</b>	<b>23,650,041</b>	<b>24,219,803</b>
Non-controlling interest		3,380,490	3,175,730	-	-
<b>Total equity</b>		<b>25,801,212</b>	<b>26,332,615</b>	<b>23,650,041</b>	<b>24,219,803</b>
<b>LIABILITIES</b>					
Lease liability	14	400,615	399,715	-	-
Bank overdrafts	20	94,144	79,890	25,836	11,582
Trade and other payables	21	2,023,526	2,656,906	758,231	1,223,178
Term loans	22	2,629,917	2,121,833	2,629,917	2,121,833
Loans from Government	23	8,301,526	10,461,120	4,648,526	6,808,120
Deferred Government grants	23	351,474	691,880	351,474	691,880
<b>Total liabilities</b>		<b>13,801,202</b>	<b>16,411,344</b>	<b>8,413,984</b>	<b>10,856,593</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>39,602,414</b>	<b>42,743,959</b>	<b>32,064,025</b>	<b>35,076,396</b>
<b>Net assets per share</b>	33	<b>0.184</b>	<b>0.190</b>	<b>0.194</b>	<b>0.199</b>





# PERFORMANCE 2023

## STATEMENT OF FINANCIAL POSITION – BALANCE SHEET

31/12/2023  
31/12/2022

### 1. Cash and Cash Equivalents:

a. Net cash of RO 3.2M generated from investing activities (mainly disposal of financial assets at FVTPL and Amortised Cost investment redemption) .

b. Net cash of RO 2.9M used in financing activities (mainly due to repayment of GSL).

c. Net cash used in operations RO 0.955M.

2. Trade and other receivables: movement mainly due to receipt from ANC of RO 166K partially offset by other receivables.

3. Financial assets at FVTPL: next slide.

4. Investment in Associates: increase is due to share of profit from Oman Fibre Optics and Oman Hotels of RO 682K offset by:  
a. Dividend from OFOC SAOC amounting to RO 302K.

6. Investment in Subsidiaries: change represents the share of profit (equity accounting) from FINCORP SAOG amounting to RO 256K.

5. Financial assets at amortized cost: decreased due to maturity of term period and encashment of asset

7. Property, plant and equipment: decreased due to depreciation charged for the year.

8. Investment properties: decreased due to depreciation charged for the year.

PARTICULARS	31/12/2023 PARENT	31/12/2022 PARENT	Variance	%
<b>ASSETS</b>				
Cash and bank balances	266,746	964,158	(697,412)	-72%
Trade and other receivables	74,976	206,666	(131,690)	-64%
Financial assets at FVTPL	10,375,967	10,883,176	(507,209)	-5%
Investment in equity accounted investees	14,611,372	14,231,630	379,742	3%
Investment in subsidiaries	3,852,231	3,596,035	256,196	7%
Financial assets at amortised cost	0	2,099,271	(2,099,271)	-100%
Property, plant and equipment	326,283	414,810	(88,527)	-21%
Investment properties	2,556,450	2,680,650	(124,200)	-5%
<b>TOTAL ASSETS</b>	<b>32,064,025</b>	<b>35,076,396</b>	<b>(3,012,371)</b>	<b>-9%</b>
<b>EQUITY</b>				
Share capital	12,187,500	12,187,500	-	0%
Legal reserve	4,062,500	4,062,500	-	0%
Retained earnings	7,400,041	7,969,803	(569,762)	-7%
Equity attributable to owners of the Parent Company	23,650,041	24,219,803	(569,762)	-2%
<b>Total equity</b>	<b>23,650,041</b>	<b>24,219,803</b>	<b>(569,762)</b>	<b>-2%</b>
<b>LIABILITIES</b>				
Bank overdrafts	25,836	11,582	14,254	123%
Trade and other payables	758,231	1,223,178	(464,947)	-38%
Term loans	2,629,917	2,121,833	508,084	24%
Loans from Government	4,648,526	6,808,120	(2,159,594)	-32%
Deferred Government grants	351,474	691,880	(340,406)	-49%
<b>Total liabilities</b>	<b>8,413,984</b>	<b>10,856,593</b>	<b>(2,442,609)</b>	<b>-22%</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>32,064,025</b>	<b>35,076,396</b>	<b>(3,012,371)</b>	<b>-9%</b>
<b>Net assets per share</b>	<b>0.194</b>	<b>0.199</b>	<b>(0)</b>	<b>-3%</b>
<b>BORROWINGS</b>				
Loans From Governments	5,000,000	7,500,000	(2,500,000)	-33%
Commercial Borrowings	2,629,917	2,121,833	508,084	24%
<b>Total Borrowings</b>	<b>7,629,917</b>	<b>9,621,833</b>	<b>(1,991,916)</b>	<b>-21%</b>
<b>Debt / Equity Ratio</b>	<b>0.32</b>	<b>0.40</b>		





# PERFORMANCE 2023

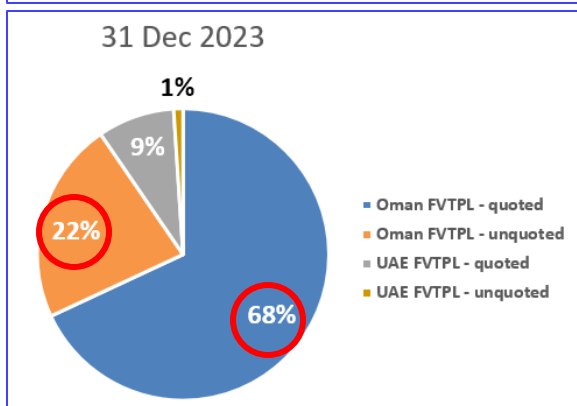
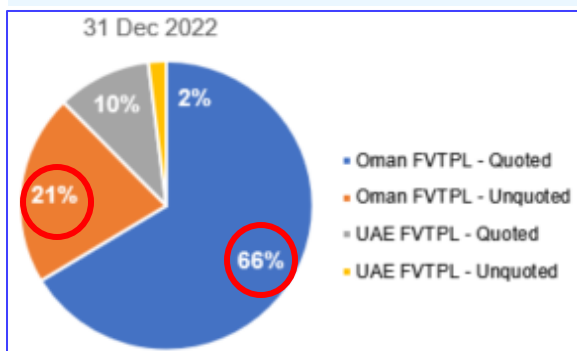
## ANALYSIS OF MAJOR ITEMS

### 1. FINANCIAL ASSETS AT FVTPL DEC 2023: RO 10,375,967 (DEC 2022: RO 10,883,176)

1. Slight decrease in Fair Value and asset class distribution mostly the same.

2. Variance mainly due to following:

- a. Purchase of Quoted FVTPL investments RO 1.089 M
- b. Disposal of Quoted investments in Oman RO 0.905 Million carrying value (Bank Muscat);
- c. Disposal of Unquoted investment in UAE with a carrying value of RO 107K
- d. Unrealized loss of RO 297K on Oman quoted investments (NAPCO); and
- e. Unrealized loss of RO 242K on UAE quoted investments (Al Wathba Insurance).



	Fair Value	Unrealised (loss)/gain	Realised gain
2023	10,375,967	(593,504)	293,514
2022	10,883,176	791,843	2,072,147



# PERFORMANCE 2023

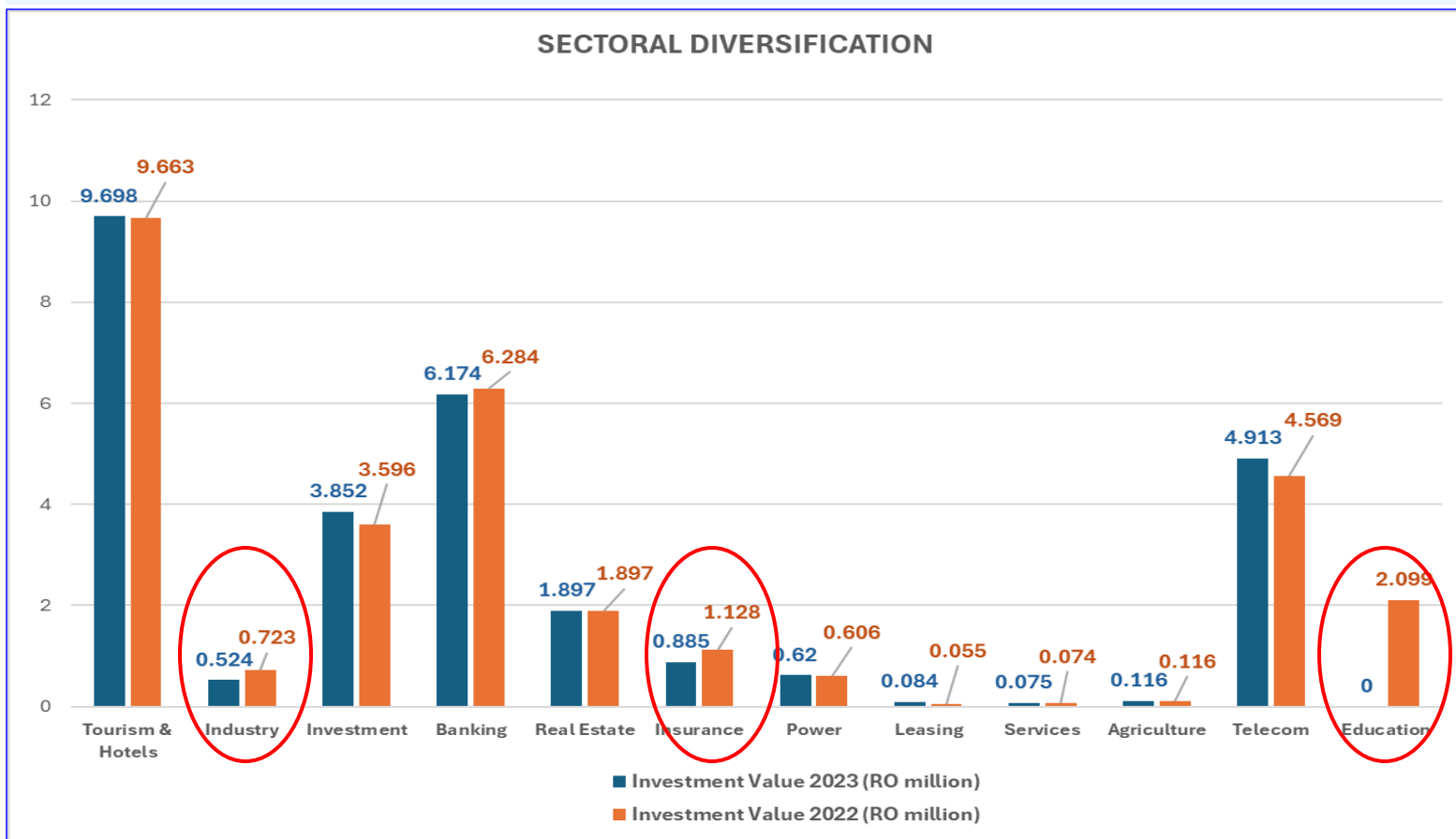
## SECTORAL DIVERSIFICATION

### 2. SECTOTAL DIVERSIFICATION

DEC 2023: RO 28.84 M (DEC 2022: RO 30.81 M )

#### 1. Decline in following sectors due to:

- ➔ a. Education (redemption of amity School).
- ➔ b. Industry (NAPCO impairment).
- ➔ c. Insurance (Al Wathba decline in share price)





# PERFORMANCE 2023

## ANALYSIS OF MAJOR ITEMS

### 3. INVESTMENT IN ASSOCIATES

DEC 2023: RO 14,611,372 (DEC 2022: RO 14,231,630)

Investment in Associates increased by a net of RO 380K from the year end through share of profit RO 682K, adjusted by dividend received (RO 302K).

### 4. INVESTMENT IN SUBSIDIARIES

DEC 2023 RO 3,852,231 (DEC 2022: RO 3,596,035)

1. O&E follows equity accounting for its subsidiaries and changes represent share of profit /(loss) from its subsidiary.

2. During the period ended 31 Dec 2023, share of profit from its subsidiary amounted to RO 256K.

PARTICULARS	Financial Assets – FVTPL Equity	Financial Assets– Debt (Amort'd Cost)	Assoc'tes (Equity Basis)	Subsid's (Equity Basis)	Total
At 01.01.2022	16,651	2,110	14,110	3,873	36,744
At 01.01.2023	10,883	2,099	14,232	3,596	30,810
Purchases	1,090		-	-	1,090
Less: Cost of Sales	(1,003)		-	-	(1,003)
Add: Unrealized gain/(loss)	(0,594)	-	-	-	(0,594)
Add: Share of Results	-	-	0,683	0,256	0,939
Add: Realised Gains					
Less: Divestment/Maturity of Investment	-	(2,094)		-	(2,094)
Less: Dividend received			(0,303)		(0,303)
Less: Amortisation of placement charges		(0,005)			(0,005)
At 31.12.2023	10,376	-	14,612	3,852	28,840
% to Total	36.0%	0.0%	50.7%	13.3%	100%



# PERFORMANCE 2023

## ANALYSIS OF MAJOR ITEMS

- **5. BANK OVERDRAFTS**  
DEC 2023: RO 25,836 (DEC 2022: RO 11,582)  
During the period, the Parent Company's overdraft increased by RO 14K
- **6. TRADE AND OTHER PAYABLES**  
DEC 2023: RO 758,231 (DEC 2022: RO 1,223,178 )  
The net decrease of RO 465K is mainly due to settlement made in relation to former CEO's legal case of RO 410K as per courts orders and other repayment of current obligations.
- **7. TERM LOAN**  
DEC 2023: RO 2,629,917 (DEC 2022: RO 2,121,833 )  
Parent Company's term loans were net increased by RO 508K.
- **8. LOAN FROM GOVERNMENTS**  
DEC 2023: RO 5,000,000 (DEC 2022: RO 7,500,000)  
The Parent Company repaid a loan of RO 2,500,000.
- **9. DIVIDEND INCOME**  
DEC 2023: RO 549,981 (DEC 2022: RO 631,506)  
Total dividend income of RO 549K was received mainly from banking, education and insurance investments.



# PERFORMANCE 2023

## ANALYSIS OF MAJOR ITEMS

### 10. NET (LOSS)/PROFIT FROM FINANCIAL ASSETS AT FVTPL DEC 2023: RO (299,989) (DEC 2022: RO 2,863,990)

→ The overall net loss of RO (0.299 M) contributed from securities resulted from a combination of un-realised loss (RO 0.593 M), decline in the fair value of securities during the period and the net realised gain from further proceeds of Octal Holding Company RO 0.293 M.

### 11. RENTAL INCOME DEC 2023: RO 144,238 (DEC 2022: RO 124,025)

→ During the period, 17 units were rented compared to 16 units rented out during the period ended 31 December 2023 which has resulted in increase in the rental income.

### 12. SHARE OF PROFIT/(LOSS) FROM ASSOCIATES & SUBSIDIARIES - NET DEC 2023: RO 0.939 M (DEC 2022: (RO 5K))

→ During the period, the Parent Company recorded net share of profit of RO 0.939M from profit from Associates of RO 682K and profit from Subsidiaries 256K.

### 13. STAFF COST DEC 2023: RO 348,425 (DEC 2022: RO 359,597)

→ Staff costs reduced by 3% compared to 2022.



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**THANK YOU**