

# A Journey of Growth

## Annual Report 2022



جهاز الاستثمار العماني  
Oman Investment Authority

ننقدم بشفقة  
Moving Forward  
with Confidence

رؤية عُمان  
2040  
OmanVision





## From a Royal Speech:

“We will be committed to directing our financial resources in the most ideal manner, which will ensure the reduction of debt and the increase of income. We will direct the government, with all its sectors, to implement a more efficient system of management which places, on top of its priorities, fiscal balance, economic diversification, the sustainability of the national economy, besides developing all relevant laws and regulations, God willing.”

**His Majesty Sultan Haitham bin Tarik**  
**23 February 2020**

# 2022 At a Glance



The size of OIA's assets increased to

OMR  
**17.897**  
billion



SMEs' share from the total contracts and tenders of OIA and its companies

~OMR  
**190**  
million



## Creation of

**+800**

new job opportunities  
for nationals in OIA  
and its companies



OIA Employees by  
the end of the year

**314**



Omanization rate  
at OIA

**93%**

## Return on Investment (ROI)

**8.8%**

OIA continued its  
contribution to  
the State's General  
Budget, totaling

OMR

**5.6**

billion from 2016 to 2022



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# Oman Investment Authority; in Brief

**Oman Investment Authority (OIA) is the investment arm of the Sultanate of Oman. It enjoys financial and administrative independence, and it reports to the Cabinet of Ministers. It was established on 4 June 2020 by Royal Decree No. 61/2020. On 18 August 2021, Royal Decree No. 57/2021 Promulgated the System of OIA.**



### **Our Objectives:**

- Manage, grow, and invest the Sultanate of Oman's funds and assets to generate maximum returns.
- Generate financial reserves.
- Contribute towards the state's general budget and achieve financial sustainability.
- Play an instrumental role in executing the government's policies and strategies toward the advancement of targeted economic sectors.
- Enhance the national investment environment and attract investments to the Sultanate.



### **Our Values:**

**Aspiration:** A sense of responsibility to work with diligence and commitment to achieve the ultimate goal of OIA.

**Excellence:** Demonstrate initiative, proficiency, and steadiness at work.

**Integrity:** Be keen to earn trust, make the right decisions, and execute plans in an optimal manner.

**Passion:** A sense of vitality and enthusiasm for excellence and the continuation of self-development.

A Journey of Growth

# Board of Directors





**HE Sultan Al Habsi**  
Minister of Finance  
Chairman of the Board



**HE Abdullah Al Harthy**  
Undersecretary of the Ministry of Finance  
Deputy Chairman



**HE Nasser Al Maawali**  
Undersecretary of  
the Ministry of Economy  
Member



**HE Abdullah Al Salmi**  
Executive President of  
the Capital Market Authority  
Member



**Mr. Gudmundur Árnason**  
Permanent Secretary of the Ministry of  
Finance and Economic Affairs, Iceland  
International Member

# Chairman's Message



The world welcomed 2022 by relaxing pandemic restrictions that had cast their shadow over all aspects of life—especially in the economy and investing—throughout 2020 and 2021. As daily activities began to bounce back from the pandemic, international geopolitical conditions once again took center stage. Prices for basic goods rose, setting off sharply negative economic changes in some countries and global markets, given the importance of food supply chains. After a downturn in global stocks due

to central banks tightening their monetary policies, there was a downturn in projections for registered companies' profits. In turn, oil prices increased, helping the government take financial incentivization measures that had a positive impact on the Omani economy, which witnessed noticeable growth in financial performance. Next came an increase in Oman's credit rating and outlook from global credit rating agencies (Standard and Poor's, Moody's, and Fitch).

We at OIA had to navigate carefully and wisely all these developments and challenges. We always implement strategies based on analysis and future economic projections. Our focus is on diversifying investments and mitigating risks. OIA is not immune to the impact of world events, but they did not pose an obstacle to our ongoing journey toward growing Oman's economy and achieving financial sustainability. Through our investments spread across more than 50 countries around the world, we have achieved good returns and excellent profits by making some new investments and exiting others.

We used an observational and defensive strategy in response to fluctuations in global markets; a clear plan was in place for this eventuality. We also prudently selected external managers and investment companies. Because of this preparation, the Future Generations Fund – which is divided between investments in public and private markets – achieved relatively better financial performance compared to that of other international sovereign wealth funds. This has helped to mitigate the negative impact on investments.

Governance policies – which OIA has implemented since its inception – have yielded good results, as has equipping our employees to handle fluctuations. The National Development Portfolio, which includes more than 160 OIA Companies, continues to grow. Performance has also improved, and production has increased, bringing profits to more than OMR 1.4 billion. We directly contributed to economic diversification by launching investment projects in targeted sectors and worked alongside the private sector in launching several projects. We remain focused on empowering the private sector to eventually be at the forefront of the Omani economy, a key priority of Oman Vision 2040.

Given the importance of foreign investment to the Omani economy, we are still working to attract investors by partnering with governmental and private entities and signing investment agreements and memoranda of understanding with a number of countries, including the Kingdom of Saudi Arabia and the United Arab Emirates. Our global network of companies is expanding, and we are ramping up partnerships with global investment institutions. Our active participation as a member of the International Forum of Sovereign Wealth Funds successfully led to the Forum's members voting unanimously to hold its 2024 annual meeting in Muscat. This represents a huge opportunity to meet with the heads of the biggest sovereign wealth funds in the world and showcase of Oman's promising investment opportunities.

To realize Royal directives, and the Cabinet of Ministers' keen interest in improving local content, OIA has made in-country value a top priority. We issued a mandatory list of purchases and tenders and shared it with OIA companies for implementation while also launching a package of initiatives for SMEs. A certain portion of OIA's total expenditure is allocated to local SMEs, and we are speeding up payment timelines for these companies. With this support, SMEs will not only survive but greatly contribute to the Omani economy and create jobs for Omani youth.

Speaking on behalf of OIA, I would like to offer my utmost gratitude to His Majesty Sultan Haitham bin Tarik for his ongoing astute and generous guidance. His directives have improved our work to bring more value to the Omani economy. I would also like to thank my colleagues, the members of the board of directors, His Excellency, OIA's president, and all employees for their unflagging and tangibly effective efforts. I know all of us aspire to take every chance to serve Oman and make its growing economy more sustainable.

### **Sultan Al-Habsi**

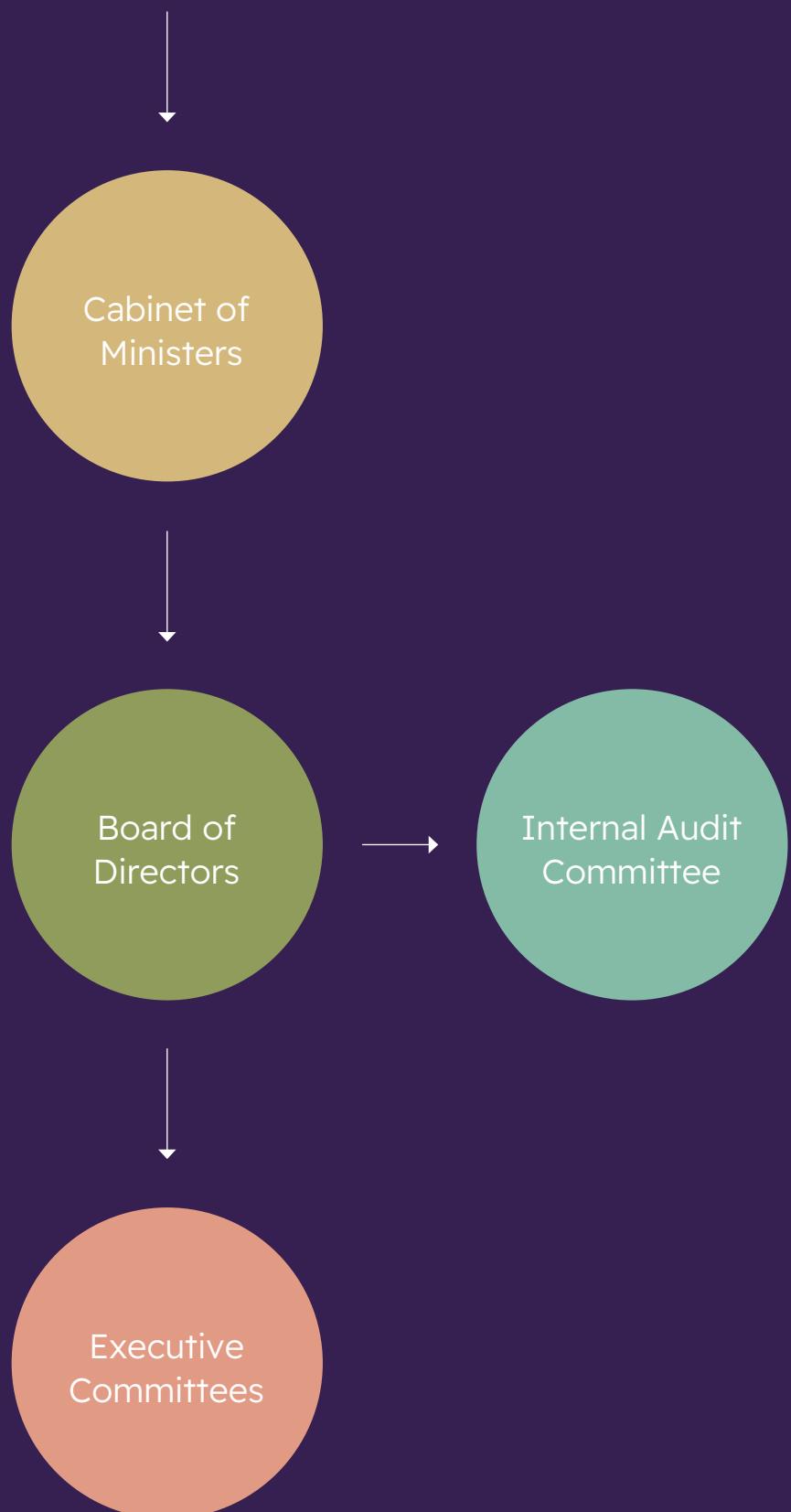
Minister of Finance

Chairman – Oman Investment Authority



# Governance of OIA

The governance framework of OIA is subject to a number of executive, administrative, and regulatory levels



# President's Foreword



In 2022, we faced a multitude of economic circumstances and events. While the year was full of both opportunities and challenges, we dealt with them all with the same thoughtful planning. We made sound investment decisions in response to international developments and ultimately achieved excellent results.

Among the most significant outcomes of 2022 are an 8.8% return on investment and a growth in our total assets divided among our National Development Portfolio and Future Generations Fund, which reached OMR 17.897 billion last year. We also continued to support the State's General Budget; over OMR 5 billion in dividends have been given to the Ministry of Finance between 2016 and 2022.

To enhance the Future Generations Fund, we entered a number of new investments, including the pioneering company Group 14, which manufactures silicon anode batteries; Crusoe Energy, which has developed an innovative technology that captures flare gas emitted from oil and gas fields to generate clean energy; and Ascend Elements, which has introduced state-of-the-art technology to recycle lithium-ion batteries. We also invested in 13 private investment funds in Europe, Asia, and North America.

The Code of Governance for OIA Entities, which we issued at the beginning of the year, has helped these companies achieve better results with improved performance. Some have even become profitable after recording losses in prior years. They have also done better at paying off debt; in the two years since OIA was founded, we've succeeded in reducing debt among OIA companies by 23.4%, including OMR 3 billion in 2022, 600 million of which was prepaid.

To help diversify Oman's economy, OIA Companies have inaugurated ten new projects geographically distributed over several governorates and across many targeted sectors. These projects are meant to create economic incentives and integrate seamlessly with the private sector while also providing job opportunities for young local talents and contracting opportunities for SMEs.

Ultimately, we want the private sector to take the lead in the Omani economy and be the driving force behind the new development. To allow it to do so, we announced a plan to exist some of our investments. We listed the Pearl Real Estate Investment Fund, the first real-estate fund of its kind, in the Muscat Stock Exchange (MSX) and divested from the International Maritime College Oman, and six assets in various sectors were set up for divestment in 2023. Externally, we divested from five real estate investments and six direct investments in private equity, and we began to leverage the returns from these deals by reinjecting returns in new sectors.

One of our goals is to attract foreign investment, and towards that goal, we work closely with a number of partners. We came to successful agreements with our Saudi partners for OMR 4.5 billion in investments, which will be allocated toward projects such as the completion of stage 2 of the Yiti project and the Rakiza Fund. We also entered into an agreement with our Emirati partners to make some investments, most notably in Oman and Etihad Railway Company, and to raise the capital of Oman Technology Fund.

With how OIA and OIA Companies prioritize in-country value, SMEs earned almost OMR 190 million in contracts and tenders, having secured more than 27,000 contracts and purchase orders. This accounts for 10.9% of the total supply chain spending by OIA and OIA Companies.

Employing and nurturing Omani talent has always been at the center of our plans. More than 800 new positions were established for Omanis, and the total Omanization rate at OIA and OIA companies rose to 78%. More than 1700 positions were identified for Omanization within five years. Our role does not end there; we are also responsible for training new employees and giving them the skills through diverse internal and external programs.

Finally, none of the above would have been possible without the tremendous support and trust we received from OIA's Board of Directors. We offer our sincere thanks and appreciation to the board for their unwavering support and to all employees of OIA and its companies for their ongoing, dedicated, and much-appreciated work to achieve our goals and bring His Majesty Haitham bin Tarik's vision to life.

### **Abdulsalam Al Murshidi**

President - Oman Investment Authority

# OIA's Investment Portfolios



OIA manages its assets and investments through two portfolios which are the National Development Portfolio and the Future Generations Fund. Each portfolio has clear mandates and specific objectives to avoid any overlap between them.

**OIA's Assets**

OMR

**17.897**  
billion**National Development  
Portfolio****60%**

of OIA's assets

**+ 160**

holding and subsidiary companies

**Future Generations Fund****40%**

of OIA's assets

**71**

direct investments

**10**

key sectors

**7**

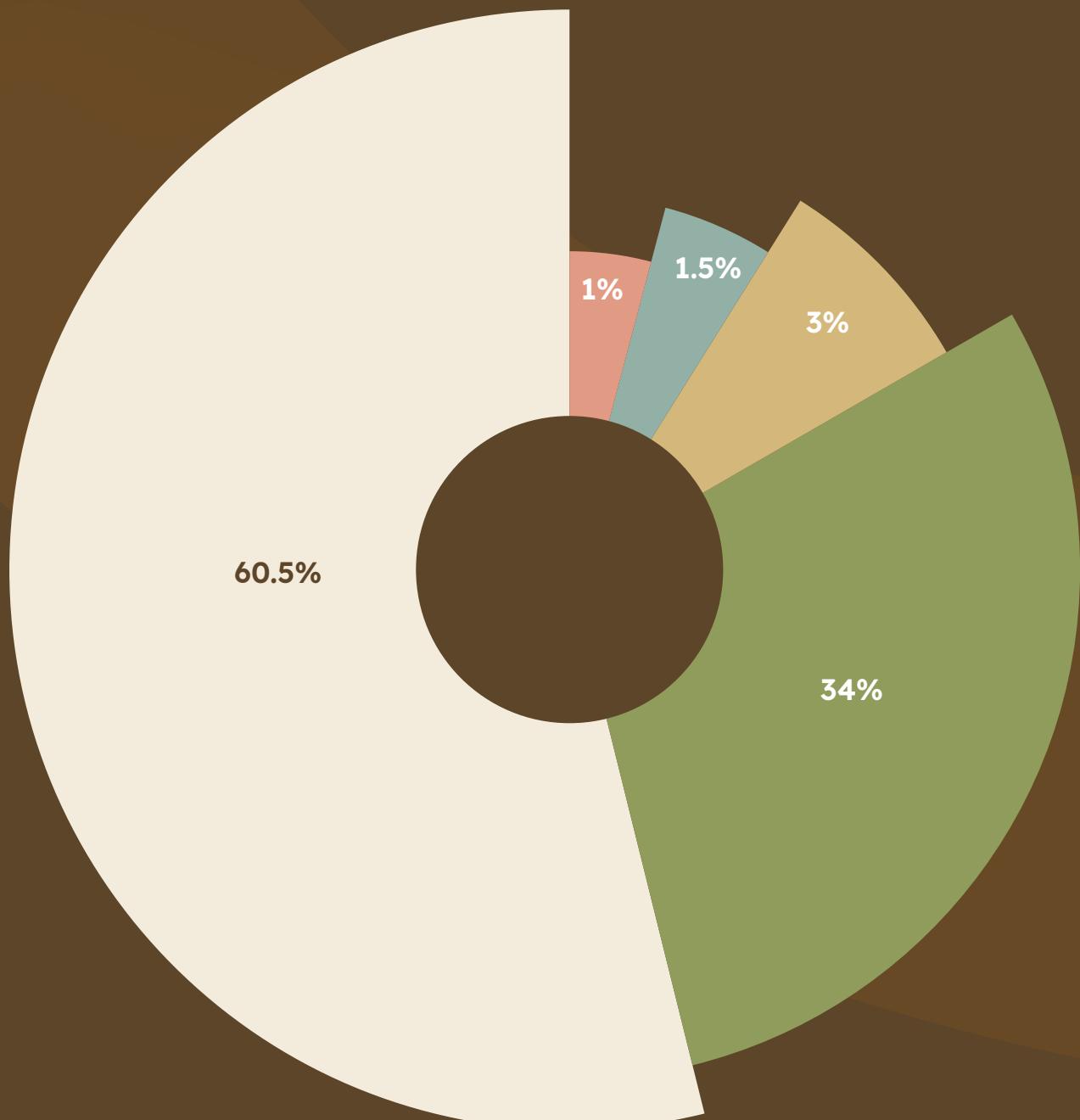
sectors



# Asset Allocation



**In terms of currency, OIA's assets  
are allocated as follows:**



Omani Rial



US Dollar



Euro

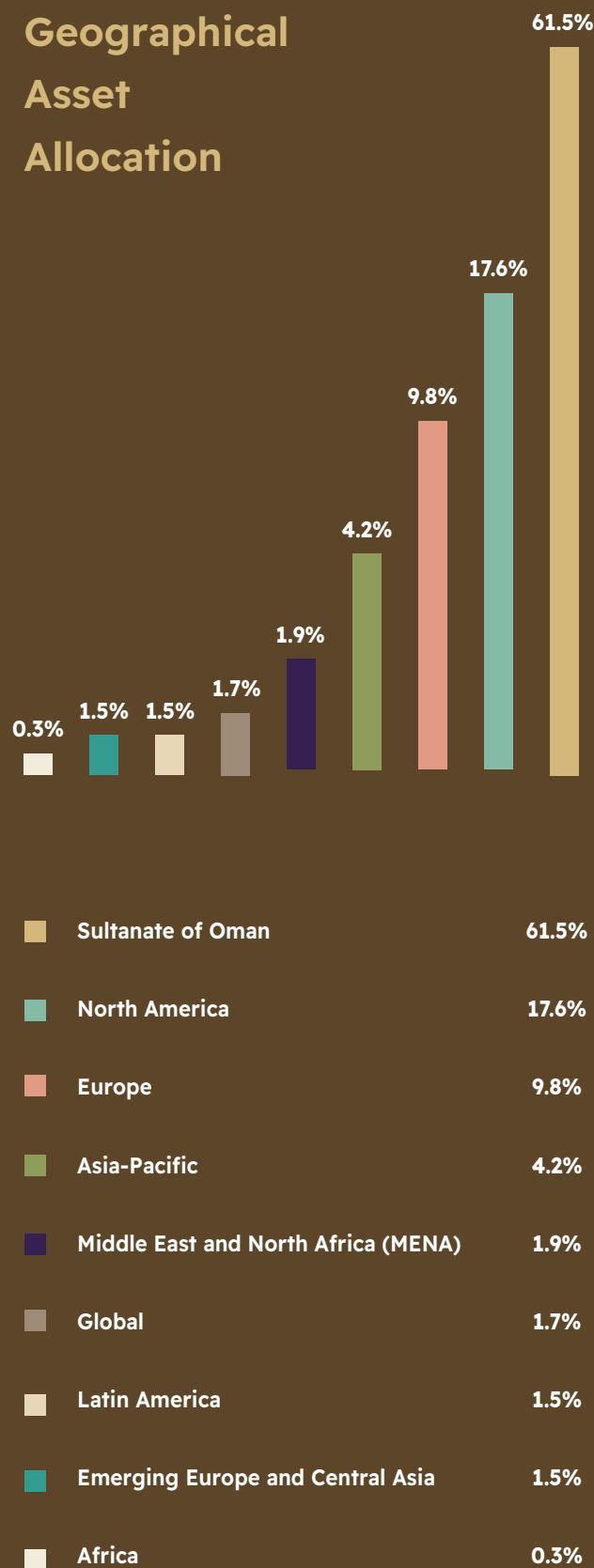


Pound Sterling



Other Currencies

## Geographical Asset Allocation



Canada

USA

Brazil

Mexico

Panama

Colombia

Uruguay

Chile

Argentina



OIA's assets and investments are distributed geographically in more than 50 countries worldwide (by the end of 2022), as shown on the map:





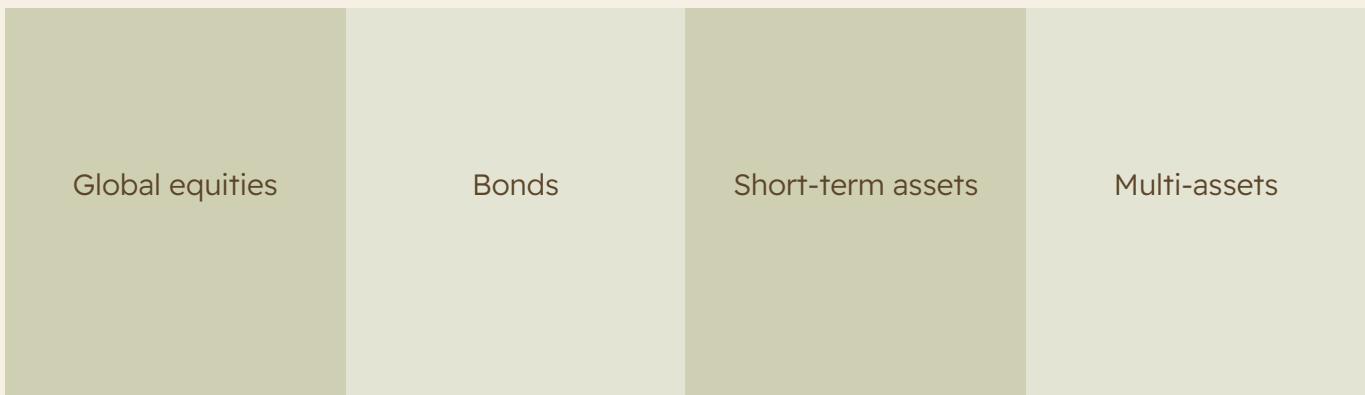
## Future Generations Fund

Encompasses OIA's international investments and mainly targets generating sustainable financial returns through long-term investments to achieve prosperity for future generations.

**Represents 40% of OIA's assets and includes 71 direct investments in addition to public market investments in more than 50 countries. It includes:**

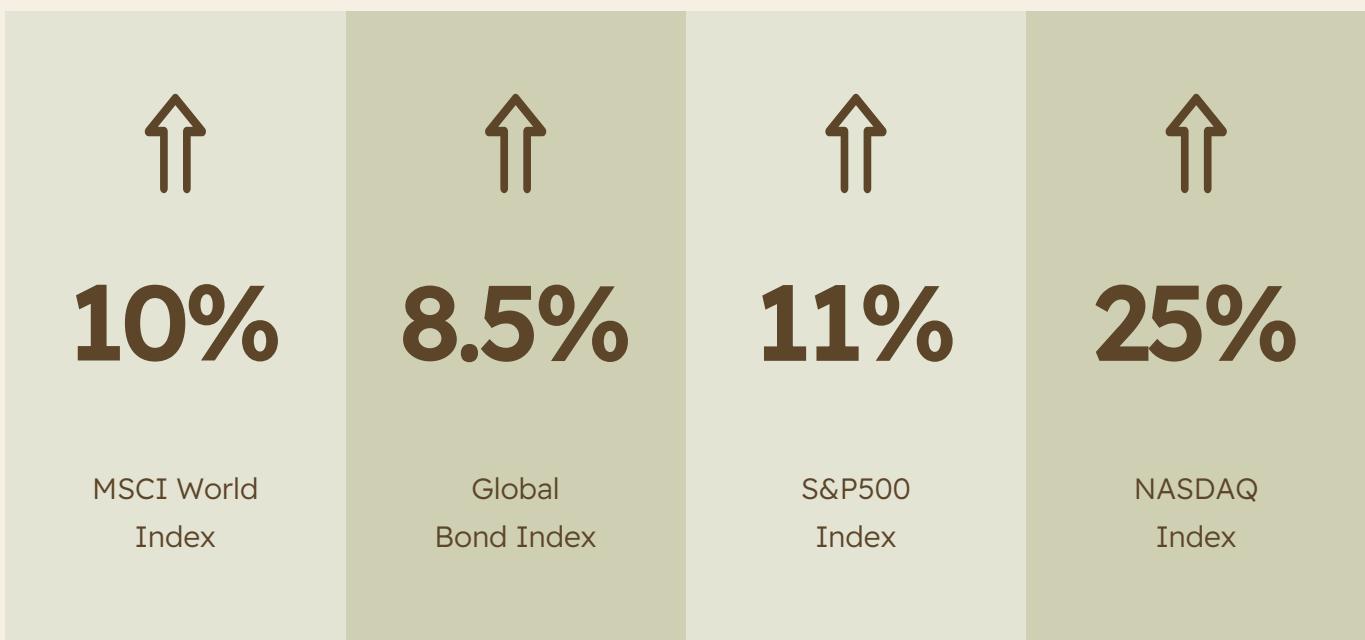
### 1 Public Markets

Securities that can be quickly and easily liquidated, and they consist of:



### Public Markets Performance

OIA's public market portfolio outperformed the general market index by 9.5%. It also outperformed broad equity and fixed-income indices, this includes outperforming: MSCI World Index by 10%, the global bond index by 8.5%, S&P500 by 11%, and NASDAQ by 25%.



This performance was driven primarily by adopting a defensive strategy in the face of high market volatility.



## 2 Private Markets

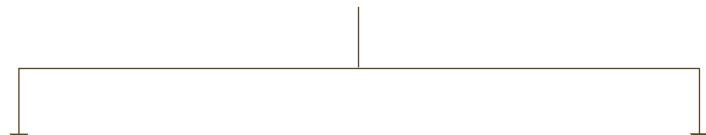
Untradeable assets, such as:

Real Estate Investments

Private Equity Investments

Investment Funds

Direct Investments



## Performance of the private equity and real estate portfolios

- The overall performance of the private equity portfolio rose by 3.3% compared to 2021, supported by an increase in the market value of the portfolio's investments.

**3.3%**

→ Private equity portfolio increased by 3.3% compared to 2021

- The total market value of the real estate portfolio has increased despite the impact of falling exchange rates in some foreign currencies.
- Direct investments in companies as well as in private equity funds are considered the main streams of returns in the portfolio during the year.

## Direct investments in the private equity and real estate portfolios

**Group 14:** A pioneering US battery materials company that develops silicon anode batteries as an alternative to graphite in lithium batteries

**Crusoe Energy:** A company that developed an innovative technology that captures gas flare emissions from oil and gas fields to generate clean electricity that can be invested in powering energy-intensive applications such as crypto mining and cloud computing.

**Ascend Elements:** A company that has developed a patented innovative technology for recycling lithium-ion batteries. The technology has led to a 50% decrease in production expenses as well as an 87% reduction in carbon emissions compared to manufacturing with conventional material.

**6/7 Grosvenor Place:** Investment in a commercial real estate project in Belgravia, London.



# National Development Portfolio

Includes OIA's national assets and companies and aims to contribute to the growth and development of the national economy. It also aims to support the state's general budget through dividends and divestment revenues.

## Represents 60% of OIA's assets and invests nationally through more than 160 companies divided into:

Holding companies	MSX-listed companies	Direct investments in non-listed companies	Various assets, including bonds, treasury bills, sukuks, and deposits
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Focuses on investing in key sectors, which include:

	Financial Services
	Industry
	Tourism
	Information and Communications Technology (ICT)
	Energy
	Logistics
	Aviation
	Mining
	Services
	Food and Fisheries



## Holding Companies

# OQ Group

## Highlights

**68%**



**OQ's revenue in 2022 increased by 68% compared to 2021, which led to a 100% increase in net profit compared to the same period.**

The downstream financial return increased as a result of enhanced operational efficiency in refineries, in addition to the outstanding performance of the Group's commercial division.

OQ Gas Network leveraged the increasing global demand for LNG by realizing a new record high in natural gas, amounting to 39.4 billion m<sup>3</sup>.

Completion of the preparatory steps for the Initial Public Offering (IPO) of Abraj Energy Services Company in the Muscat Stock Exchange (MSX).

Capital restructuring of some downstream subsidiaries.

Restructuring the company to an updated business model (upstream, downstream, alternative energy) to allow the group to manage the strategic pillars of its subsidiaries and future projects, in addition to its role as a possible enabler to the transformation to renewable energy such as green hydrogen and ammonia. The group has completed some key projects in this vein, including:

- 1. OQ's ammonia plant**, located in the Governorate of Dhofar, started production in 2022, with the first shipment of liquid ammonia successfully exported via Salalah Port.
- 2. OQ Group signed a project development agreement** with SABIC and Kuwait Petroleum International Company to establish a state-of-the-art petrochemical complex in Duqm.

# Oman LNG

## Highlights

58%



**Oman LNG's revenues increased by 58% in 2022 compared to 2021, leading to a net profit increase of 126% during the same period.**



The company continues to lead in social responsibility through several large-scale projects in this field.

Loading 176 shipments of LNG from the company's plant in Sur, including 127 shipments from Oman LNG and 49 shipments from Qalhat LNG.

Completing the construction and set-up of the National Autism Center in A'Seeb.

The company signed new binding term-sheet agreements to supply LNG at competitive prices for the future beyond 2024.



العمانية للغاز الطبيعي المسال

Oman LNG

# Minerals Development Oman (MDO)

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## Highlights

**Mazoon Mining Project:** Completion of the Front-End Engineering Design (FEED) work for Mazoon Copper Ore Project in Yanqul.



**Sohar Titanium Project:** Commencement of construction work on a total area of 120,000 m<sup>2</sup>. This OMR 43 million project aims to produce 150 thousand tons per year of titanium dioxide.

**Block 4 Copper Project:** Signing a partnership with a local company operating in developing old mines in the block and expanding the scope of exploration in the areas close to the block.

**Mahout Silica Project:** A partnership with a local company operating in extracting and processing silica metal Mahout with a capacity of 100 thousand tons per year.



Commencement of the geophysical and geochemical surveys in concession areas granted to the company in various governorates, covering a total area of 22 thousand km<sup>2</sup>, with the aim of developing a detailed and scientific database of minerals.

# Asyad Group

## Highlights

45%



Asyad Group witnessed an increase in revenue in 2022 which amounted to 45% in comparison to 2021. This led to an increase of 11% in the group's net profit during the same period.

Attracting direct investments worth

OMR **602** million

in the free zones.



### **New projects:**

- Acquisition of Al Ameen Stores and Refrigeration with the aim of developing a cold chain ecosystem, providing specialized integrated logistics services to the agriculture and fisheries sectors, and raising the services bar in line with international standards.
- Purchase of the first floating dock for ship repair, which will increase the operational capacity of dry dock services in Duqm as well as enhance their financial and commercial performance.
- Establishment of a joint venture company between Oman Rail Company and Etihad Rail Company called ‘Oman and Etihad Rail Company’ to design, develop, and operate a railway network to transport passengers and goods and link Sohar port to the UAE national railway network.

### **Courier and express delivery services:**

- Adding seven countries (UAE, Qatar, Saudi Arabia, Kuwait, Jordan, Turkey, and Tanzania) to the Asyad Express network.
- The average daily shipments of Asyad Express doubled from 1500 shipments to ~3000 shipments.
- Signing a strategic partnership with Evri, the well-known UK delivery company in e-commerce services.

### **Environment and sustainability:**

- Signing an environmental partnership with ‘44.01’, a company specialized in decarbonization and waste management.

### **Public transport:**

- Growth of the number of users of Mwasalat’s public transport services by 85%, with 3.1 million passengers.

### **Port services:**

- Achieving 90% growth in the volumes of general cargo handling at Asyad Ports.
- Sohar Port received the first shipment of containers via the new direct shipping route connecting the Sultanate of Oman with Malaysian and Singaporean ports.
- Sohar Port and Free Zone launched the Routescanner platform to link Sohar Port to the global containers shipping routes through seaports, roads and railways. This will provide more efficient, transparent and sustainable supply chains in addition to facilitating customer access to shipping agents and shipping lines linked to Sohar Port in different countries across the world.

### **Shipping and dry dock services:**

- Completion of two projects for building small ships in the dry dock.
- Expansion of Asyad’s container shipping network by adding four new ports (Khazaen Dry Port, Jodhpur Port, WARDHA Port and Karachi Port).
- Opening Asyad Shipping’s regional branch in Singapore.
- Leasing 32 additional tankers during the year and operating them in the global market to expand business activities and maximize revenues.

### **Economic contributions:**

- Awarding tenders worth +OMR 12.3 million to 1,204 SMEs, and allocating + OMR 31.7 million of the company’s total expenditure to 2,474 local companies.
- Signing a memorandum of cooperation with the Ministry of Labour to provide 230 on-job training opportunities in the maritime sector.

# Fisheries Development Oman (FDO)

## Highlights

80%



**Awarding 80% of the group's contracts and expenditure towards the enhancement of In-country Value (ICV) which amounts to OMR 32.7 million.**

Establishment of Marsa Al Duqm Investments Company as the manager and operator of the fishing port in Duqm.

Initiating the advanced fishermen boats project in partnership with the SME Development Authority.

Opening and commencement of commercial activities of Al-Khuwaima Farm by Oriental Shrimp Aquaculture.

Achieving good production capacity in aquaculture and commercial fishing capacity, which reached:

**2,101 tons**

of Sea  
Bream

**1,076 tons**

of Shrimp  
Aquaculture

**42,555 tons**

of fin fish via  
commercial fishing

# Oman Food Investment Holding Company (NITAJ)

## Highlights

### Commencing the commercial production of camel milk in Dhofar.



Expansion and increase of production capacity in the tissue culture project after its ownership was transferred to Nitaj from the Ministry of Agriculture, Fisheries, and Water Resources. The project aims to provide Omani farms with high-quality palm seedlings.



OIA and Oman Flour Mills Company led the efforts to promote partnership with the key grain producing and exporting companies in the world. The efforts have been fruitful and boosted the availability of strategic grain stocks in the company's silos at Sultan Qaboos Port and Sohar Port.



Redirecting the Million Palm Tree Plantation Project to become a commercially viable and pioneering project in date production.

# OMRAN Group

## Highlights



With an estimated cost of  
OMR

**577 million**

the group entered into a partnership with Dar Al Arkan  
to develop Aida project, which constitutes Phase 2 in the  
masterplan of the Yiti Integrated Tourism Project.



**Signing an agreement with the global operator ‘Four Seasons’ to establish and operate a 5-star resort in Al Bustan beach, Muscat, which will offer 200 hotel rooms and 100 hotel apartments.**

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Opening of Jumeirah Resort - Muscat Bay, which includes 206 hotel rooms and suites.

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Opening of DusitD2 Naseem Resort, Jabal Akhdar, offering +250 hotel rooms and suites.

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Graduation of +120 trainees in the ‘Midhyaf’ on-job training program.

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Initiating the exit process from the group’s hotel portfolio and Oman Tourism College.

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**Inaugurating the Water Activities Project in Wadi Dayqah Dam in Qurayyat.**

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Organizing a host of events for the World Cup (World Cup - Qatar 2022), including:

- Organizing the ‘Spartan Arabia’ Race in Muscat and Dhofar with the participation of +3100 contestants.
  - The Football Fan Festival in the garden of the Oman Convention and Exhibition Center, which attracted +92,000 football fans.
-

# Oman Air

## Highlights

103



Pilots have been trained in collaboration with the  
Oman Aviation Academy.

1,000 destinations Joining the ‘Oneworld Alliance,’  
which will open up collaboration opportunities.

# Oman Airports

## Highlights

# 13



**new airlines were attracted, bringing the total to 38 airlines and adding 18 new destinations in 2022.**

Signing an agreement with the Public Authority for Special Economic Zones and Free Zones (OPAZ) for the management and operation of Duqm Airport.

Following the recovery from the Covid-19 pandemic, commercial operations witnessed remarkable growth:



# ITHCA Group

## Highlights



OMR

**60**  
million

**Finalizing the process of setting up an investment fund focused on new technologies with a capital of up to OMR 60 million, in partnership with Abu Dhabi Holding Company.**

**Investment in the Cyfr Capital Fund, a private Omani venture capital fund that invests in global and regional technology -based startups.**



Commissioning of Oracle's first data center in Oman, which helps government entities operate IT systems through cloud computing while meeting the requirements of data sovereignty and service delivery. Another agreement was reached to establish a disaster recovery data center to establish an integrated disaster recovery system.

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Completion of the re-finance of Oman Broadband in order to expand fiber optic networks and enhance operational efficiency by signing eight financing agreements worth OMR 171 million with a number of local commercial banks and Islamic banks.

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Investment in Horizon Oman, the first Omani company specialized in the manufacturing of unmanned aerial vehicle (drones), with a 25% stake.

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**20%**

Acquisition of Rihal, a company specialized in data services, management and automation.

**20%**

Acquisition of Osos specialized company which specializes in solutions and digital systems.

# Nama

## Highlights

**Investing OMR**

**100** million



in the Ibri Solar Power Plant with a production capacity of 500 megawatts covering ~50 thousand homes. The plant will contribute to reducing carbon dioxide emissions by 340 thousand tons of emissions per year. Earlier this year tenders were awarded for the development of Manah Solar Power Project, with a total production capacity of 1,000 megawatts.



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Completion of a large portion of the electricity sector restructuring project which is expected to be fully completed by Q2 of 2023. The project aims to merge supply services into one company, and electricity distribution services into another company.

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Completion of 68% of Phase 1 (Connecting North Oman to Duqm) of the North-South Interconnection Grid (Rabt), which will enhance grid reliability and reduce the total cost.

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# be'ah

## Highlights

Working closely with the relevant legislative and regulatory authorities to draft the final proposal for the optimal governance of the waste management sector.



The Barka Waste-to-Energy Project is currently under study, which, once finalized and completed, will be another good step towards the realization of a circular economy in an effort to contribute to the Sultanate's 2050 net zero target.

The company is currently negotiating to finance the construction of Phase 2 of the hazardous waste treatment project in Sohar.

# Listed Companies



## Pearl Real Estate Investment Fund (Pearl REIF)

- Listing 49% of the fund's shares on Muscat Stock Exchange. The IPO recorded 1.5 times oversubscription, at a value of ~ OMR 100 million.

OMR **100** million



After listing of 49% of the fund's shares on Muscat Stock Exchange

### Oman Cement

- An increase in revenue by 41.93%, amounting to OMR 68.43 million.
- A profit of OMR 5.98 million before tax, and an increase in net profit after tax, amounting to OMR 5.04 million.
- Initiating an exit plan from OIA's share in the company.



### Omantel

- Growth in the company's annual profits by 19.39%.
- Launching a strategy to reduce debt through the monetization of non-operating assets, resulting in:
  - Sale of the company's head office.
  - Sale of 2,519 towers to Helios, a UK-based company, with total revenues of USD 495 million.
- During the IQPC awards, the company was awarded the 'Best Example of Return on Investment' award in the field of communications, media, and technology.
- The company was crowned Middle East Best Regional Operator and Best Regional Data Centre Operator on the sidelines of the Carrier Community Conference 2022.



### Majan Glass

- An increase in the company's production efficiency up to 75%.
- Implementing a strategy to reduce the cost of raw materials in order to overcome supply chain challenges as well as the high prices that resulted in losses despite record revenues.





## Direct Investments – Non-listed

## Innovation Development Oman (IDO)

### Addition of two new investments:

- Jupiter One: A platform for the management of attacks on cyber assets.
- 44.01: A local company specialized in the safe and permanent removal of carbon dioxide from the atmosphere by mineralizing it in peridotite rocks that are abundant in the Sultanate of Oman. The company has received an international environmental award launched by Prince William.

### Other updates of IDO investments:

- Innovatec, an Omani startup that launched a digital oilfield platform called Nibras, was successful in signing an agreement with Shell International for the integration of its current system with Nibras Platform, which was also adopted by an oil operator in East Asia, reflecting the company's positive results.
- Carzaty, an Omani startup that launched an online platform to sell cars, has merged with SoftBank-backed Kafak Platform, worth USD 8.7 billion, giving Carzaty the opportunity to enter the Gulf market and promote its rapid growth in the region.

## Rakiza

- Closing the fund's first private placement worth over one billion USD, involving a number of key players, such as the Saudi Public Investment Fund (PIF), Asian Infrastructure Investment Bank.
- Entering into three investments; communication towers, the container terminal in Sohar Port, and the Khazaen new central fruit and vegetable market.

## Karwa

- Handover of 100 buses on time before the World Cup opening (FIFA World Cup Qatar 2022).



**Carzaty**



**carzaty**  
is now **KAVAK**



**Kafak**

**100 Buses**

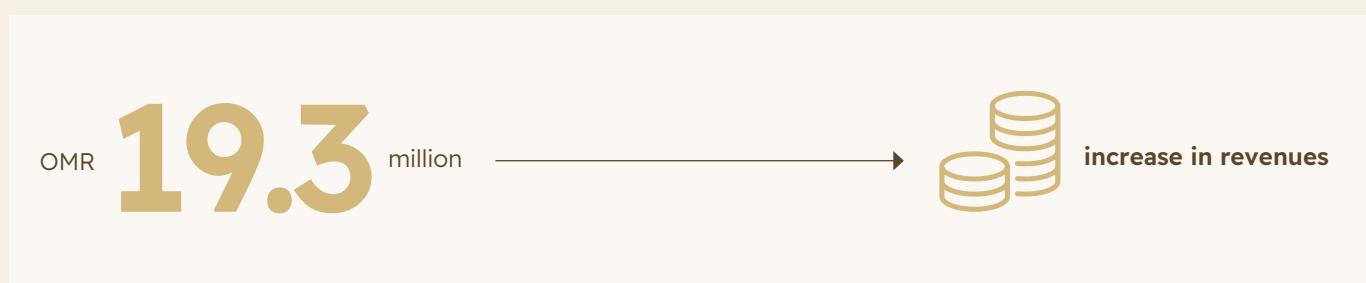


**FIFA WORLD CUP  
Qatar 2022**



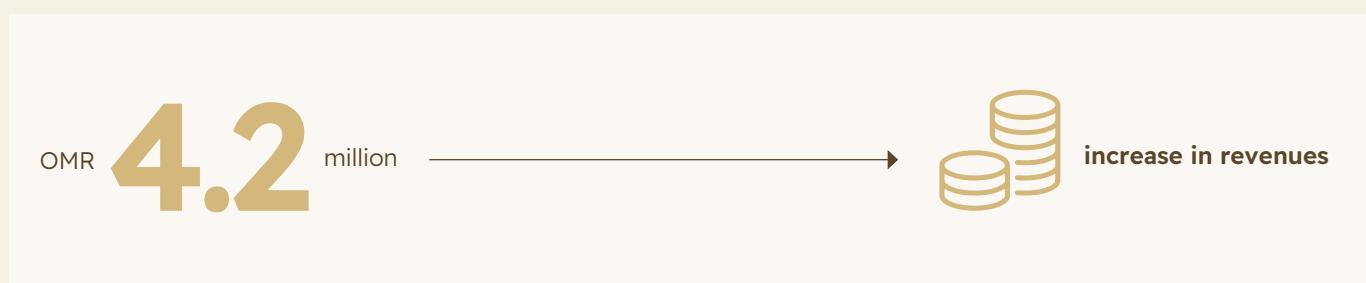
### National Pharmaceutical Industries Co. (SAOC)

- Obtaining the FDA's approval, which qualifies the company to enter the US market.
- An increase in revenues amounting to OMR 19.3 million and realizing a profit (before tax) of OMR 2.1 million.



### Muscat Stock Exchange

- Increase in the total revenue by 4.2%, after making commissions of OMR 4.2 million.
- Listing of Barka Desalination Company with a market value of OMR 10.5 million.
- Increased foreign investment, achieving top 10 companies in terms of market value, and increasing in the ceiling of foreign ownership by 70%.





### Credit Oman (CO)

- Growth of Oman's non-oil exports (excluding re-exports) by 41.9%.
- Increase in the volume of insured sales by 148% to ~OMR 333.3 million.
- The total credit ceilings granted to policy holders for local sales and exports increased by 29%.
- Increase in the number of buyers covered by insurance by 63%.
- Increase in the number of countries covered by insurance to 47 countries compared to 45 countries in 2021.



### Strategic and Precious Metals Processing LLC (SPMP)

- The company is one of the few producers that have successfully entered the antimony market.
- The plant has a production capacity of 20,000 tons per year, which will enable the company to enter international markets and increase its sales.



## Divestment

In 2022, OIA's Board of Directors approved the proposed divestment strategy. This strategy defines the objectives of the divestment process, as well as the relevant regulations and executive plan.



## Objectives of OIA's divestment plan:

- 1** Empowering the private sector to increase its contribution to the national economy.
- 2** Securing strategic and financial partners (whether local or international) with the aim of enhancing the company's performance and efficiency, which will result in an increased contribution to the national economy and attraction of more foreign capital.
- 3** Deepening the financial market and MSX through public offerings in primary and secondary markets.
- 4** Utilizing revenues as follows:

Reinvesting in key sectors that contribute to economic diversification.

Reducing debt with the aim of achieving financial sustainability.

Dividend distribution.

### National Development Portfolio

Pearl REIF IPO in MSX

International Maritime College Oman

Preparing 6 diverse assets for divestment to be finalized by 2023



# Attracting Foreign Direct Investments

OIA has made significant efforts to attract Foreign Direct Investment (FDI) to the Sultanate of Oman, in line with Oman Vision 2040, its national targets, and OIA's mandate to attract FDI in key strategic sectors to achieve economic diversification and private sector growth.



### Investment Development Opportunities Worth

OMR

# 4.5

billion



### Agreements on Investments Worth

OMR

# 1

billion



## Strategic Joint Ventures

OIA's strategic joint ventures enhance the Sultanate of Oman's efforts to strengthen relations with other countries by establishing strategic partnerships that serve mutual interests.

## Joint Ventures

**Uzbek-Oman Investment Company** A joint venture with the Uzbekistan Fund for Reconstruction and Development (UFRD).



**Investment size**

USD 200 million

**Current Portfolio**

10 investments

**Updates**

- The board of directors has approved the restructuring of the investment portfolio by exiting some investments.
- Focused investments on high-return assets while maintaining the portfolio's value.

**Oman Brunei Investment Company** Established in partnership with the Brunei Investment Agency, the company seeks to invest in different sectors both in the Sultanate of Oman and Brunei.



**Investment size**

USD 200 million

**Current Portfolio**

8 investments

**Updates**

- OMR 4.6 million cash injection has been secured from shareholders to be invested in a private school project that provides leading educational services in the Sultanate of Oman in partnership with the Royal Oman Police Pension Fund and Amity Education Group. Construction works started in Q3 of the year.
- Exiting from investment in Golden Corporation, with an IRR of 15%, and realizing 1.52 times the value of the investment.

## Joint Ventures

**Vietnam Oman Investment** Established in partnership with the State Capital Investment Corporation.



**Investment size**

USD 200 million

**Current Portfolio**

12 investments

**Updates**

- Exiting by 70% from CII's shares, with plans to divest the remaining shares during 2023. It is also expected to fully exit from Kim Tin during the same year.
- The company is evaluating SII's purchase offers, and the sale is expected to be completed in 2023.

**Al-Hosn Investment Company** An Omani-Qatari company that invests in key economic sectors in the Sultanate of Oman and the GCC.



**Investment size**

OMR 250 million

**Current Portfolio**

16 investments

**Updates**

- Investment in the Pearl REIF, and in the bonds of Oman Arab Bank, Bank Dhofar, and Ahli Bank.

## Joint Ventures

**Spain Oman Private Equity Fund** Established in partnership with COFIDES, a Spanish state-owned company.



**Investment size**

EUR 200 million

**Current Portfolio**

10 investments

**Updates**

Investment of EUR 30 million in 3 companies:

- **Seabery:** A leading company that develops assistive technology solutions for vocational education.
- **Agrovinl:** A company specialized in providing natural ingredients and technology for the beverage industry.
- **All for Padel:** A company that holds a global license from Adidas and is currently one of the leading companies in the design, manufacturing, and marketing of Padel courts, rackets, and accessories.

**Pak Oman Investment Company** A company established between the Omani and Pakistani governments to promote economic growth in the two countries through industrial development and agriculture-based industries.



**Investment size**

USD 36.1 million

**Current Portfolio**

Investments in bonds and treasury

**Updates**

- Total assets increased by 8.8% starting mid-year.

## Joint Ventures

**Oman India Joint Investment Fund (Fund I)** Established in partnership with the State Bank of India.



**Investment size**

USD 100 million

**Current Portfolio**

3 investments

**Updates**

- A full exit from four investments out of seven, achieving 1.4 times the value of the investment.

**Oman India Joint Investment Fund (Fund II)** Established in partnership with the State Bank of India.



**Investment size**

USD 230 million

**Current Portfolio**

12 investments

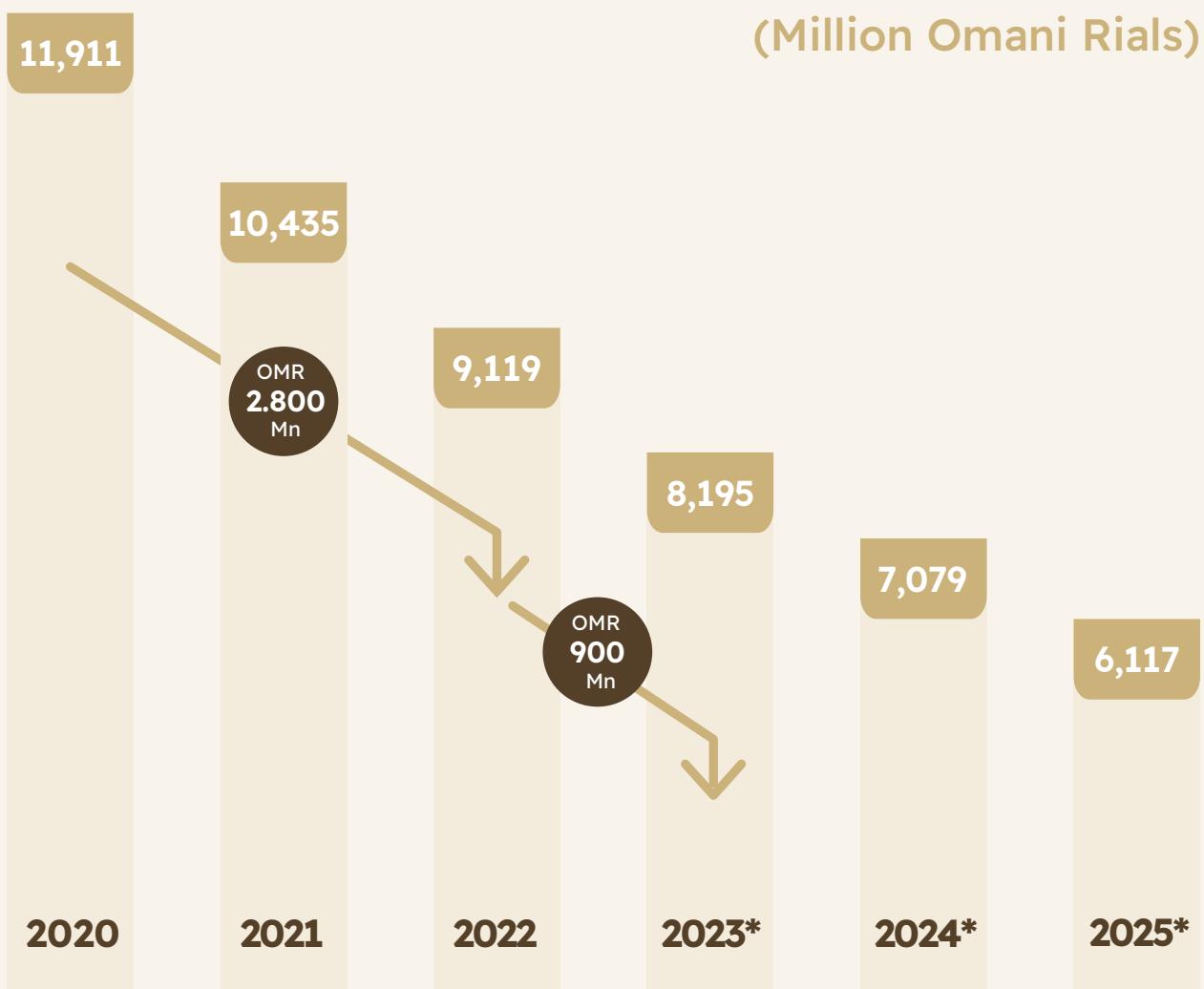
**Updates**

- Completed investment of the committed amount in 12 investments in various sectors during the period 2018 to 2022, with a partial exit from one investment, achieving an IRR of 92% and 3.1 times the value of the investment.



## Restructuring and Reduction of Debt under OIA Companies

Once it received the ownership of the companies, OIA sought to reduce their debts. The efforts have so far resulted in:



\*Estimated debt level

## Attracting and Developing the National Workforce

OIA and its companies pay special attention to the national workforce through continued efforts to attract, train, and develop Omani professionals. This effort is meant to allow Omanis to assume key roles in specialized positions that require specific training programs.

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The number of employees in OIA and its companies exceeded

**38,000**  
employees

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OIA and its companies created

**800**

new jobs for Omanis in 2022

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Omanization rates at OIA and its companies reached

**78%**





**314**

Employees

**89**

New Employees I

**93%**

Omanization

Training

---

**191**

Ea'dad

**56**

Nomou

Secondsments

---

**55**

Employees

# In-country Value (ICV)

Stemming from OIA's keenness on increasing ICV, it established an ICV Directorate in 2022 to:

- Publish a policy to increase ICV among OIA and its companies in tendering and contracts
- Launch ICV initiatives and incentives



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SMEs received

~OMR **190** million

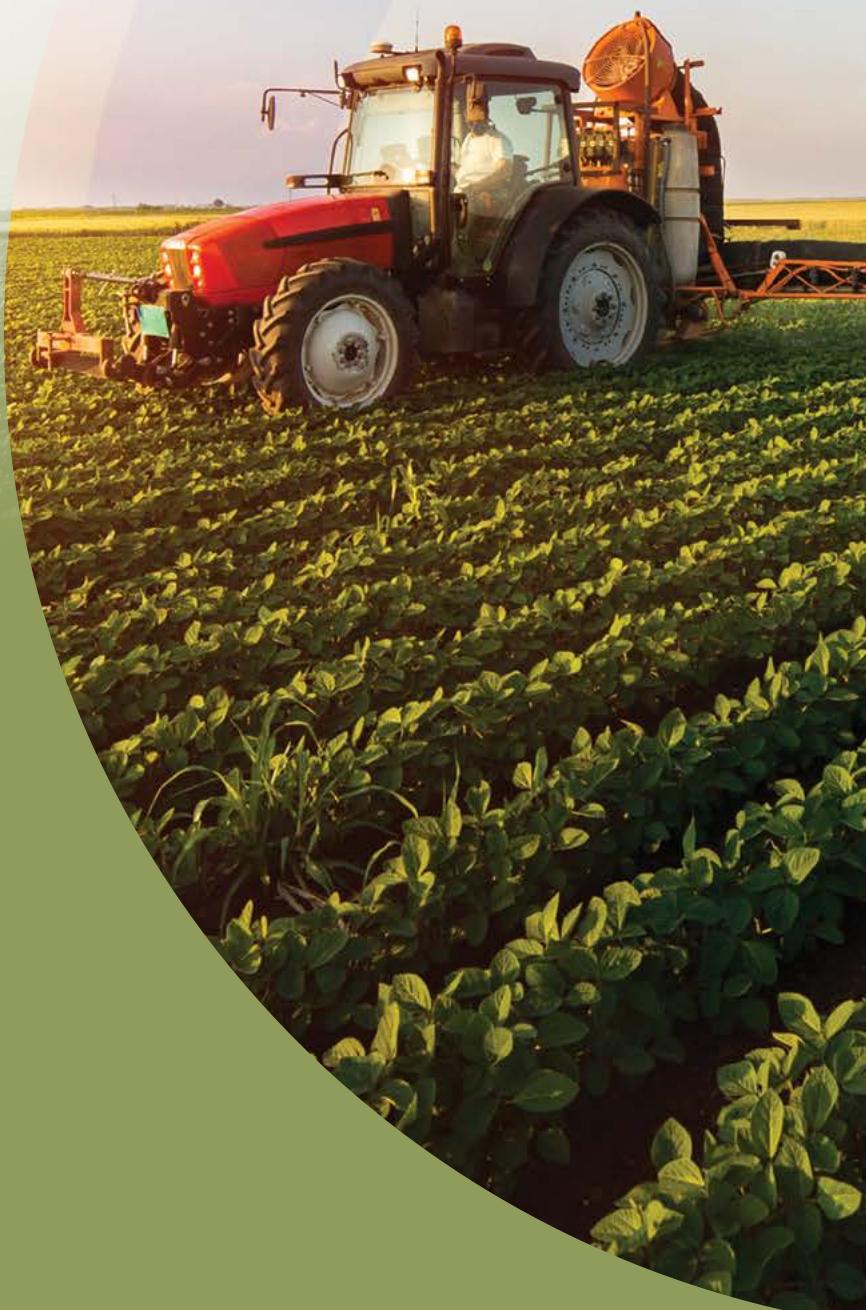
of contracts and tenders  
from OIA and its companies

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Contracts and tenders awarded to

**4,700**  
SMEs

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Awarding more than

# 27,000

contracts and purchase  
orders to contracts valued at  
OMR 10 thousand or less



SMEs received

## 10.9%

from total  
supply-chain  
spending

Riyada holders  
received

## 3.9%

of total supply-chain  
spending



Awarding more than

# 1,367

to contracts valued between  
OMR 5 and 10 thousand

# Rawabet Program

**Rawabet was established in September 2020 to create a link between OIA Companies with their various policies and regulations and OIA's high-level policies in order to align with Oman Vision 2040.**

## Pillars:

- Governance
- Strategies
- Synergies
- ICV
- Social Investment
- Research, Development, and Innovation

## Main Outcomes:

### Publishing:

- The Code of Governance for OIA Entities.
- A number of policies including: Investment policy, tendering and procurement policy, divestment policy, media and communications policy, information security policy, and legal affairs policy.
- A number of guidelines including: In-country value, investment and asset valuation, and projects cost allocation.
- Human Resources Manual for OIA Companies.



 Strategies

Developing

**8**

Strategic Priorities

Reviewing

**+20**

Strategies

Developing:

**14**

Synergy Initiatives

**8**

Digital Synergy Initiatives

**8**

Human Resources Initiatives

**11**

Business Initiatives



Developing

**13**Key Performance Indicators  
(KPIs) for Holding Companies



# Key Updates from OIA's Directorates

## Finance and Investment Operations



### **SPVs and Tax Management:**

- Completion of OIA's tax review to ensure its entitlement to the exemption allocated to sovereign funds in the USA.
- Savings on the Australian stamp duty worth half a million Omani Rials.
- Refund of a German tax at a value of EUR 226 thousand.

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### **Investment Transaction Support:**

- Automated issuance of cash tickets in Bloomberg, which contributes to reducing human errors and improving the efficiency of private equity transactions.
- Receiving USD 14 million in interest from the Money Market Fund Program.
- OIA obtained ISO certification for financing activities and operations.

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### **Performance management and reporting:**

- Completing audits for the fiscal year 2021 in accordance with the Global Investment Performance Standards (GIPS).).
- Implementation of the new financial performance structure for the Future Generations and National Development portfolios.

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### **Treasury:**

- Reducing interest rates in some corporate loans with several local banks and saving over OMR 50 million during the loan tenure.
- Reducing the total debt of government companies from OMR 10.435 billion at the end of 2021 to OMR 9.119 billion at the end of 2022 (including new debts during the year).
- In 2022, OIA Companies prepaid OMR 600 million debt.

## Human Resources



### Training and Development:

- Implementation of the annual development and training plan, including 14 different internal training courses with the participation of 154 employees.
- 85 employees participated in a number of local and international training programs.
- Completion of Phase 1 of OIA's Competency Framework Project 'Kafa'ah.'
- Implementation of 16 accredited academic and professional programs for OIA Staff and 12 specialized programs in the field of leadership development and boards of directors. In addition, 87 trainees from OIA Companies participated in OIA's training courses and activities.

### Human Resources for OIA Companies:

- Approval of the unified Human Resources Manual for OIA Companies. Approval of an assessment and performance incentives policy for OIA Companies.
- Developing the general framework and strategies necessary for the implementation of policies and achievement of Omanization plans. Reviewing and enhancing employment controls in OIA Companies.
- Circulating relevant government regulations and directives and follow-up on their implementation.

### Job engagement and employee relations:

- Issuing, reviewing, and improving a number of human resources policies that aim to improve employee satisfaction and employment engagement.

### Recruitment and talent management:

- Recruitment of 89 candidates out of 91 vacancies, (98% of the annual recruitment plan). 56 trainees joined Numou, a program launched by OIA several years ago with the aim of providing graduates with on-job training for a period up to 12 months.
- 191 trainees joined the Ea'dad, an on-job training program supervised by OIA in cooperation with some government entities.
- Supervising the recruitment of 5 new CEOs in OIA Companies.
- Completion of organization description cards for units and job description cards for all approved functions in OIA.

## Information Management



### Investment Technology and Operations:

- Rolling out a restructuring project for financial and investment systems, and updating accounting data, financial reports, and investment performance reports in line with OIA's new investment structure, including the National Development Portfolio and the Future Generations Fund.
- Implementation of a project for reviewing all operational processes, related activities, and operational systems.
- Launching an online training platform focused on the financial accounting system and investment performance measurement.

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### Information Security and Governance:

- Passing the ISO27001 certification audit for Information Security Management which reflects OIA's commitment to the best practices and controls to maintain the security and privacy of its information assets.

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### Infrastructure and Operations Management:

- Increasing the efficiency of OIA's electronic network infrastructure and upgrading the central systems for data and information storage..
- Completion of a secure electronic connection between OIA's electronic network and its companies' networks.

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### Business Application Management:

- Launch of the robotic operating system, resulting in the quick and efficient automation of routine operations.
- Conducting comprehensive security assessments for a number of OIA's systems and applications, launching a cyber-attack simulation system to detect security vulnerabilities, and offer recommendations to mitigate risks of security breaches.

## Administration



- Completion of the document management system in accordance with the standards and policies of the National Documents and Archives Authority, in addition to the launch of the Correspondence Management System 'Aman.'
- Approval of all policies related to the Administration Directorate, including the Procurement and Tendering Policy, Administrative Services Policy, Public Relations Policy, and Document Management Policy.
- Achieving financial savings of over OMR 85 thousand after negotiating purchases and tenders.

## Media and Communications



- Publishing OIA's first annual report.
- Executing a media plan for 10 national projects on the occasion of the 52<sup>nd</sup> National Day.
- Organizing a breakfast networking event to introduce OIA and network with investors on the sidelines of the Future Investment Initiative (FII) in Riyadh, Saudi Arabia.
- Contributing to the success of the International Federation of Journalists (IFJ) Congress held in Muscat and organizing a dinner with a group of international journalists on the sidelines to introduce OIA.
- Publishing four issues of OIA's quarterly newsletter, Enjaz & Eejaz.
- Working on a joint media campaign between OIA and some of its companies on CNBC Arabia.
- Organizing four quarterly best practices sessions with media and communication teams in OIA Companies in order to discuss the best practices in the field of media and corporate communication.

## Internal Audit



- Conducting 19 audits within the approved annual audit plan, as well as conducting two audits upon request of the Board of Directors of Uzbek-Oman Investment Company and Innovation Development Oman Company.
- The directorate received 30 reports in 2022, they were reviewed, two inspections were conducted, and reports for violations were issued. The remaining reports were sent to OIA Companies and were tracked routinely.
- In order to improve the efficiency within the directorate, a review of its operations was conducted, and a number of specialists in IT, cybersecurity, and legal affairs were hired to provide specialized input and support.
- Coordinating and collaborating with the OIA Companies as follows:

Advising members of the audit committees in OIA Companies to enhance governance.

Providing support in hiring some internal audit heads at OIA companies, in addition to some other audit positions.

Conducting an HR audit at the level of OIA Companies and providing support to the relevant audit teams in conducting the audit.

Organizing training programs on data management, cybersecurity, and audit management system for internal auditors in OIA and its companies.



## Legal Department

**Reviewing contracts, documents, and legal aspects of OIA investments, in addition to other responsibilities, including:**

Reviewing all investment-related contracts for all national and international investments.

Overlooking all legal cases in which OIA or its companies are a party, whether in the Sultanate of Oman or internationally.

Reviewing policies and guidelines published by OIA as part of its governance efforts.

Providing legal advice to all units within OIA, whether they were related to investments or to other day-to-day business.



## Governance, Risk, and Compliance

- Issuing the Human Resources Manual for OIA Companies and the joint expenses agreement between OIA Companies.
- Meeting the requirements of governance and transparency as part of the efficiency assessment of the institutional performance of units of the State's administrative apparatus.
- Cooperating with many government institutions to relay OIA's experience in the field of governance, risk management, and compliance, including the Tax Authority, the General Secretariat of the Tender Board, the State Audit Institution, the Ministry of Culture, Sports, and Youth, and Sultan Qaboos University.
- Completing the assessment of the governance ecosystem of OIA Companies for the year 2021.
- Joining the Finance and Banking National Risk Register Committee.
- Instructing all companies to develop emergency plans to ensure business continuity.
- Joining the World Bank Agreement for MENA to manage OIA Companies.
- Completing OIA's self-assessment for the year 2021 in accordance with Santiago Principles developed by the International Forum of Sovereign Wealth Funds (IFSWF).
- Unifying the risk management system among OIA Companies to adhere with best international practices and requiring them to have a risk register approved by the board of directors.

