



June 2020 - December 2021
ANNUAL REPORT



تقدّم ثقة
Moving Forward
with Confidence





ANNUAL REPORT

June 2020 - December 2021



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"Over the past period, the State has taken deliberate measures which have ensured that the nation's resources are directed towards building a dynamic society and a strong economy. It has encouraged industry, trade, and agriculture, provided facilities for investment, and developed services to keep abreast with other areas of the country's development".

The late Sultan Qaboos bin Said



"We will direct our financial resources in the best way to guarantee debt reduction and revenue growth. We will also direct all government institutions to adopt more efficient management systems to prioritize the achievement of a balanced, diversified, and sustainable economy, including the establishment of relevant laws and regulations".

His Majesty Sultan Haitham bin Tariq





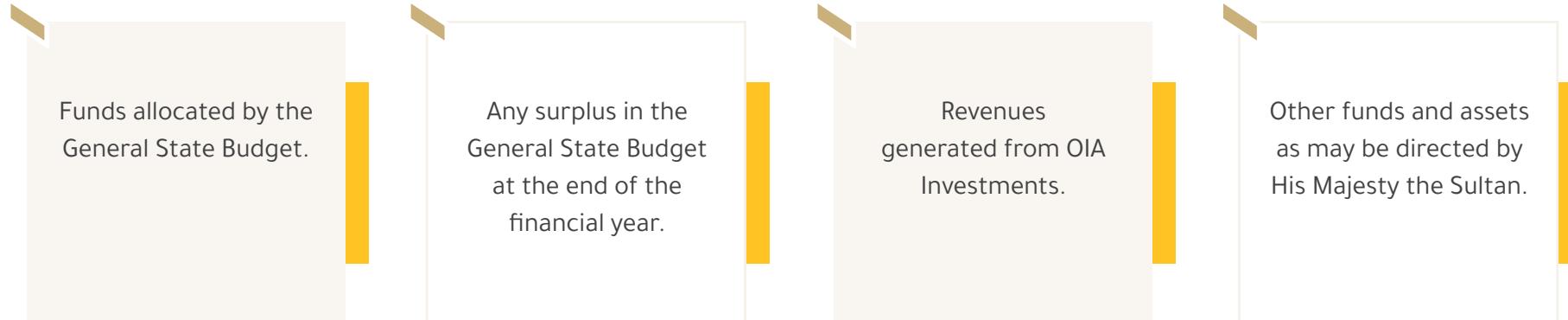
About Oman Investment Authority (OIA)



Oman Investment Authority:

Oman Investment Authority is the Sultanate's investment arm that has been mandated to manage and invest the state's funds and assets, maximize returns and contribute to the realization of Oman's Vision 2040 towards a more sustainable and prosperous future for the people of Oman and their future generations. It was established by the Royal Decree No. 61/2020 as a legally and financially independent entity that reports directly to the Cabinet of Ministers.

OIA Financial Resources:



Objectives:



Mandates:



1

Set general policies for government investments, and collaborate with relevant government entities to draft and develop strategies and economic development programs.



2

Invest, manage, and reinvest its funds across different economic sectors within the Sultanate of Oman and beyond and collect returns on said investments.



3

Invest and reinvest in any holdings, rights, or assets, whether tangible or intangible, fixed or movable, including shares, equities, securities, commercial papers, currencies, minerals, and other investable materials, commodities, and instruments.



4

Manage and oversee investments and OIA Companies across all sectors, and follow up and assess their performance to ensure their alignment with OIA and general economic and financial objectives.



5

Establish companies of all types to engage in OIA investment activities, and act on behalf of all units of the State's Administrative Apparatus to establish companies to achieve investment objectives, generate revenues, or develop the various economic sectors.



6

Acquire, purchase and sell various assets, and set up investment projects, whether alone or in partnership with other parties, inside or outside the Sultanate of Oman.



7

Restructure, regulate, merge, consolidate, integrate, liquidate, sell, or dispose of any funds, properties, investments, or OIA Companies and finalize all relevant and necessary legal processes.



8

Grant loans to OIA Companies in accordance with commercial principles.



9

Conduct studies and research in sectors and fields related to OIA business.



10

Prepare drafts of laws, royal decrees, regulations, and decisions relating to the OIA, its functions, and objectives.



11

Conclude agreements, memoranda of understanding, and contracts in areas related to OIA mandates.



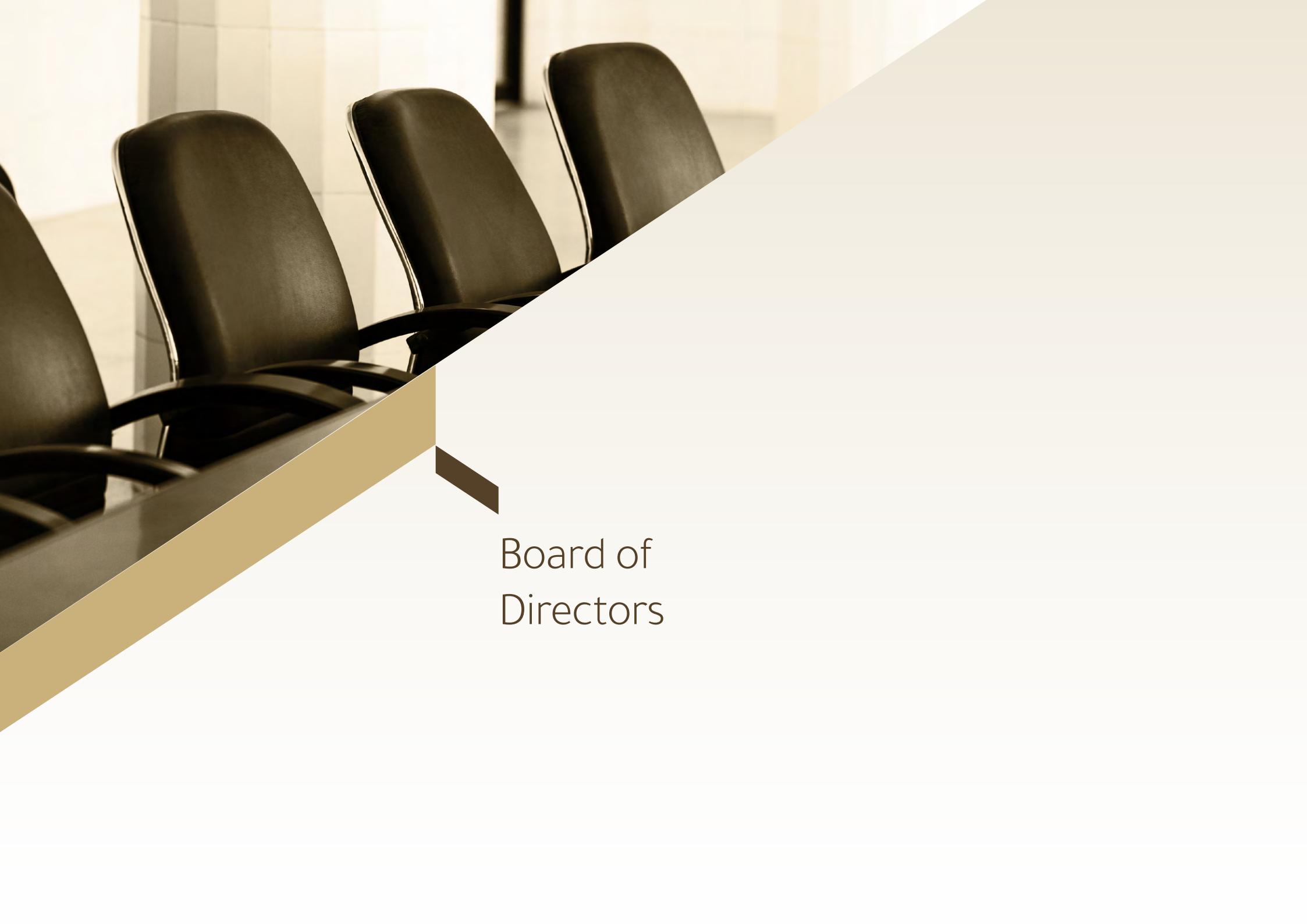
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Represent the Sultanate of Oman in conferences, meetings, and regional and international organizations and institutions working in fields relevant to OIA.



13

Any other mandates assigned by His Majesty the Sultan.

The background features a row of black leather office chairs arranged in a conference room. A large white diagonal shape covers the right side of the image, partially obscuring the chairs. A small dark rectangular graphic is positioned near the bottom center of the white area.

Board of Directors

Board of Directors

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



H.E.
Abdullah Salim Abdullah
Al Salmi
Executive President of
CMA - Member



H.E.
Sultan Salim Al Habsi
Minister of Finance -
Chairman



H.E.
Abdullah Salim Al Harthy
Undersecretary of the
Ministry of Finance -
Deputy Chairman



H.E.
Dr. Nasser Rashid Al
Maawali
Undersecretary of the
Ministry of Economy -
Member





Sultan bin Salim Al Habsi

Minister of Finance
Chairman of the Board
Oman Investment
Authority

Chairman's Foreword

We have gone through an exceptional period marked by significant challenges at domestic and international levels, including the Covid-19 pandemic, with adverse impacts on communities and the local and global economy, which in turn has disrupted and derailed several plans. As a result, many governments and companies across the world have been pushed to envision new approaches to crisis management.

In addition to this global pandemic, the period covered by this report witnessed numerous local events and developments, including the promulgation of Royal Decree No. 61/2020, which merged the State General Reserve Fund (SGRF) and Oman Investment Fund (OIF) into a new entity called Oman Investment Authority (OIA). The royal decree transferred the holdings of most state-owned companies and investments to this new investment entity. In addition, further royal decrees were passed to restructure the state's administrative apparatus in alignment with Oman Vision 2040 and its main directions, which will serve as the key roadmap and reference for planning and implementation over the next two decades. Moreover, Royal Decree 57/2021 promulgated the System of Oman Investment Authority and the mandates of the Board of Directors, placing a great responsibility on our shoulders to translate the wise vision of HM the Sultan into reality and offer solid support in executing these mandates aimed at delivering a more sustainable and prosperous economic future for the citizens of Oman and its future generations.

Despite all these challenges and events, we have continued to grow and seize the opportunities available to us. Consequently, we are very satisfied with the remarkable results achieved by OIA in

record time, thanks to the sustained efforts put forward to contribute to the GDP and maximize returns on investments, in addition to the governance of state-owned companies.

Efforts towards the governance of state-owned companies came to fruition, as evidenced by the approval of the 'Code of Governance for OIA Entities.' This code was designed to streamline the companies' policies and align them with Oman Vision 2040 as well as the OIA's overall direction and policies. Further, the Code plays a significant role in enhancing the efficiency and productivity of these companies, reducing their spending, and achieving sustainability of human and financial resources. To that end, the restructuring of several companies that had been transferred from the Ministry of Finance to OIA was approved, including their respective boards of directors -which were supplemented by national talents through the 'Thiqat' initiative. In addition, OIA approved these companies' performance appraisal criteria and internal policies and guidelines. Several resolutions were approved at the organizational level, including the reorganization of OIA's audit committee, investment committee, and the statement of OIA's main objectives.

These accomplishments would not have been possible without the dedicated efforts of the people at OIA and its Companies. Their excellent and outstanding performance reflect the philosophy of the late His Majesty Sultan Qaboos bin Said, who believed that everyone has a role to play and every effort counts, no matter how small. Oman continues building on its legacy, guided by the vision, wisdom, and ambitions of HM Sultan Haitham bin Tariq for the country and its people.

Finally, I would like to take this opportunity to express my deep appreciation and gratitude to my colleagues on the Board of Directors for their continued support, as well as H.E., the Executive President. I also have immense gratitude for all staff at OIA and its companies for their hard work, dedication, and efforts to propel the Omani economy forward. I look forward to counting on their continued support to serve this nation and its people in Oman's ongoing renaissance.



Abdulsalam bin
Mohammed Al Murshidi

President of Oman
Investment Authority

Executive President's Foreword

The recent period witnessed extraordinary events that derailed many plans at several levels. Most notable is the Covid-19 pandemic, which has affected almost all countries worldwide. Still, it has also given us a rare opportunity to learn how to cope during a crisis and its devastating aftermath. Oman Investment Authority took steps to confront the crisis head-on, and as a result, both our internal and external operations achieved positive results and good gains.

We achieved a number of key results during the period from June 2020 to December 2021 which includes generating an average annual return of 10.3% since OIA's inception, adding 35 new investments to our investment portfolio in private equity markets, and exiting some investments with profitable returns.

To ensure the success of our investments, we worked to expand and diversify them through direct investments in two key companies: US company SpaceX and the establishment of a joint fund with Chinese CMBI, both of them global entities with diversified investments. Moreover, we seized opportunities to exit several investments. These exits include fully exiting Cognate BioServices, a U.S. medical equipment manufacturing company, where we tripled our return on investment by 3.15x, with an internal rate of return (IRR) of 42%. Additionally, we completely exited Migros Stores in Turkey, where our return on capital increased 1.11x, with an IRR of 1.6%, and RAK Ceramics, where our return on investment increased 1.13x, with an IRR of 2.1%. We also partially exited some companies, such as First Data Corporation, a U.S. information technology firm, where our return on invested capital increased 1.34x, with an IRR of 2.6%.

With regard to the joint investment funds established in partnership with a number of our friendly nations, Vietnam-Oman Investment (VOI) entered a new investment agreement with CMES Company, a major player in the renewable energy market, for the development of rooftop solar power systems.

Moreover, the company fully exited from Van Lang University with an annual IRR of 17%. Elsewhere Oman India Joint Investment Fund fully exited from two investments marking an annual IRR of 47% and 18% respectively, and partially exited from one investment achieving an annual IRR of 25%. The fund achieved a return of 65% on subscribed capital. In addition, Oman Brunei Investment Company successfully increased its capital to USD 200 million by leveraging available opportunities and expanding its current investments in Brunei. Moreover, its Board of Directors gave the green light to the establishment of a private school in Muscat in partnership with Amity Group, a well-known educational services institution. Moreover, Spain Oman Private Equity Fund entered a new investment in Symborg, an international company with a focus on agricultural biotechnology.

On developments regarding OIA Companies, we launched 'Rawabet Program' in Q3 - 2020. This program was launched to create a direct link between OIA and the companies transferred to it as per Royal Decree No. 61/2020. The program aims to oversee their activities and ensure the implementation of clear governance frameworks that establishes key performance indicators. In addition, the program works towards enhancing their performance, assisting them in achieving their objectives and overcoming their challenges, synergize intercompany plans and roles, and lay firm foundations to support, engage and empower the private sector. Moreover, the program develops a comprehensive plan for boosting the investments of these companies and contribute to their In-country Value (ICV) efforts, exiting investments, partnerships, listing in the public capital markets, and other areas.

The program delivered a number of significant outcomes, the most important being the 'Code of Governance for OIA Entities,' in addition to a set of policies and guidelines that will be implemented during the next

stage. OIA also entered a new phase post the issuance of Royal Decree No. 57/2021 promulgating the system of OIA, thus enabling its operations and governance.

Internally, 58 new employees joined OIA from June 2020 to December 2021, bringing the total number of OIA staff to 271 with an excellent Omanisation rate of 90%. During this period OIA organized 65 training programs for their employees to develop their skills and capacities.

I would like to express my sincere thanks to all OIA staff for their dedicated efforts to improve performance and deliverables at the organizational level. This includes the completion of the Electronic Records and Document Management System project (ERDMS), and obtaining ISO 9001:2015 certificate following the team-conducted assessment of contract management, procurement operations, facilities management, and security services. Moreover, we note the critical role undertaken by the Department of Economic and Investment Research at OIA in highlighting potential events that might adversely impact the Omani economy and OIA investments, thanks to its implications-based forecasting. Likewise, the Department of Finance and Investment Operations succeeded in recovering withholding taxes on public market investments from a number of countries and successfully finalized the merger of SGRF, OIF, and the Ministry of Finance's assets in a smooth manner. I also extend my thanks and appreciation to OIA's Board of Directors for their continued support during the last period.

Finally, on behalf of the OIA I would like to take this opportunity to express my sincere appreciation and gratitude to His Majesty Sultan Haitham bin Tariq for his foresight, vision and wise leadership, which inspire all of us to face challenges and move forward for the welfare of our nation.

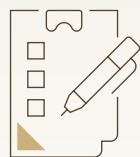


Performance Overview

(Since OIA's inception on June 4, 2020, through December 31, 2021)

271

OIA
Employees



September 2020

Launching Rawabet
Program for companies
transferred to OIA

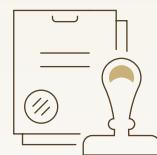
10.3%

Average annual return
since OIA's inception
(Overall performance to
date is calculated using
the Time-Weighted Rate
of Return - TWRR)



35

New Investments



Restructuring OIA
Companies and
appointing their Boards
of Directors from a pool
of national competencies
and experts in various
fields from both
government and private
sectors

Implementing the Code
of Governance for OIA
Entities in accordance
with best local and
international practices





Rawabet
Program



Rawabet Program

A program launched by Oman Investment Authority (OIA) in September 2020 to establish a direct link between OIA and state-owned companies transferred to it as per Royal Decree No. 61/2020, in alignment with the wise vision of His Majesty Sultan Haitham bin Tariq.

Objectives of the Program

- To establish a general framework of guidelines that regulate the businesses of OIA Companies
- To align the companies' strategies and priorities with Oman Vision 2040 and enhance economic diversification.
- To promote synergy between these companies.
- To develop frameworks and policies that ensure the participation of the private sector and SMEs.
- To establish a general framework promoting a culture of social responsibility.
- To establish a framework for scientific research, development, and innovation.



Rawabet Pillars

Rawabet comprises of six main pillars: Governance, strategy, synergy, in-country value, social investment, and research, development and innovation.

1. The Governance Pillar

This is one of the main Rawabet pillars given the significant impact of governance on formulating the management style, strategies, and policies of organizations. In addition, its significance in enabling them to make sound decisions and identifying the best approaches for risk management to achieve the goals of each entity.

Governance Objectives:

Establish systems and principles to document procedures and regulations, and define responsibilities, rights, terms of reference, and relations according to a clear work methodology.

Improve the effectiveness and efficiency of operations management and the utilization of public resources in areas that contribute to the achievement of strategic objectives

Enable boards of directors in drafting policies, assessing processes and services, and complying with laws.

Respond to requirements and needs with a high level of quality and at a reasonable speed to ensure stakeholders' satisfaction

Create a culture of accountability and transparency, and define parameters for performance and results.

Key Governance Framework Outputs:

- Publishing the Code of Governance for OIA Entities in accordance with best local and international practices.
- Publishing policies and guidelines for OIA Companies to be applied on different departments and areas as shown below, such as a procurement and tendering policy, and an investment policy.

OIA conducted a comprehensive review of its companies, including an assessment of general rules related to their businesses, such as the board of directors charter, information security, legal affairs, procurement and tendering, internal auditing, risk management, business continuity management, In-country Value (ICV), and media and communications. In addition, it restructured and appointed the boards of directors of these companies, selecting its members from a pool of national competencies and experts in various fields from the public and private sectors. Several meetings and workshops were held with the boards of directors to develop performance indicators and engage all company stakeholders in the drafting and issuance of governance principles and a set of policies and guidelines for OIA Companies.



2. The Strategies Pillar

This key Pillar of Rawabet focuses on establishing a comprehensive framework for developing business plans for OIA Companies in line with OIA's strategic priorities and Oman Vision 2040. The strategies aim to achieve financial and operational sustainability, set performance indicators for company plans and boards of directors, and encourage the private sector to contribute to current and future investments.

Key Strategy Outputs:

- Drafting 8 strategic priorities.
- Preparation and drafting of guidelines for business plans.
- Review of 20+ strategies.
- Develop performance indicators for the boards of directors of 13 companies.
- Approve business plans and budgets of 13 companies for the year 2022.

3. The Synergies Pillar

The main objective of this pillar is to create value by promoting joint work and integrated efforts between OIA Companies and the public and private sectors. The desired outcome is for this pillar to lead to improved exchange transactions, creation of investment opportunities, increased efficiency by reducing duplication of efforts and resources, opportunities for In-country Value, and SMEs development.

A dedicated team oversees five main areas of synergies between OIA Companies:

- Procurement and supply chains.
- Integrated investment initiatives.
- Digitalization.
- Human resources.
- Finance.

The synergies pillar contributes to achieving sustainability and integration among OIA Companies, engaging SMEs and the private sector, increasing technical and innovative content, and developing robust operating models that enhance efficiency and effectiveness objectives aligned with Oman Vision 2040.

Rawabet in Figures:

OMR 20K

Average spending on the program, which is considered the lowest compared to similar projects

4+

Policies in progress

300+

Participation of experts from OIA Companies

4

Forums at the level of Chairmen of the Boards and executives

11

Published policies and guidelines

80+

Participation of OIA experts

100+

Workshops with companies' senior managements

4. The In-Country Value (ICV) Pillar

This important pillar is in alignment with Oman Vision 2040 as it aims to build a productive and diversified economy to achieve comprehensive and sustainable development. The application of ICV in OIA Companies is in adherence to the national priorities set forth in Oman Vision 2040. The development of a general framework to implement ICV is achieved through three main areas:

■ **Regulatory Framework:**

Public policy, guidelines, and establishment of a baseline or starting point for all companies.

■ Awareness and Training:

Engagement, communication, awareness, and training.

■ **Operational Model:**

Implementation, performance indicators, reports, and dashboard.

In December 2021, the ICV initiative 'Qimam' was launched with the goal of maximizing retained value by contributing to Omanisation efforts through high Omanisation rates, training and investing in Omani competencies, developing local suppliers, supporting SMEs, and encouraging and developing local industries.



Moreover, a package of incentives was offered to support SMEs (Riyada card holders), including::

- Allocating at least 10% of total spending to procurement.
- Awarding purchase orders or contracts of materials or services with a value of OMR 10,000 or less.
- Awarding purchase orders or contracts of materials or services between OMR 10,000 - 50,000 at a preferential rate of 10%.
- Payment terms of 15 days from the date of invoice receipt.
- Exemption from tender fees and bid bond requirements.

5. The Social Investment Pillar

Social Investment Objectives:

- Establish a framework that ensures achieving partnerships in the area of social investment, in alignment with national priorities and sustainable development goals.
- Enable governance through the drafting of a social investment policy.
- Setting general performance indicators.



6. The Research, Development, and Innovation Pillar

Research, Development, and Innovation Objectives:

- Establish a framework for research, development, and innovation in line with national priorities.
- Engage different parties and stakeholders to increase the level of awareness in these areas.
- Develop an effective governance framework that drives performance development.



A photograph of a man with a beard and white hair, wearing a white turban and a white robe. He is looking down at a board with various numbers and letters written on it. The board is light-colored with blue and black markings.

Investment Strategy

Investment Strategy

Investment Sector

Our investment unit oversees the implementation of OIA's investment Strategy by, continuously managing and monitoring the assets in-line with the overall framework of OIA's policy. It makes necessary adjustments in response to economic and market fluctuations, to ensure the development and growth of assets.

OIA aims to build an investment portfolio that is diversified across a wide range of asset classes and geographic locations, and within established risk parameters to ensure sustainable long-term returns.



Best Practices:

OIA follows an investment strategy that is both prudent and flexible. It takes into account general risk parameters and adopts international best practices in developing its investment strategy. These practices include:



Asset Allocation



Managing geographic concentration of investments



Selecting promising sectors according to major economic and market trends globally.

Investment Categories:

OIA focuses on two primary investment categories:



Public Market Assets

Global equity, fixed income bonds, and short-term assets



Private Market Assets

Private investments in real estate, logistics, services, mining, industrial and technological projects, infrastructure, food, and healthcare

Department of Economic and Investment Research

Overview

The COVID-19 pandemic has had a significant impact on world economies over the past period. To identify, monitor, and predict the pandemic's impact, the Department issued regular weekly reports to explain the movement of global markets during the pandemic and its implications on OIA's local and foreign investments. In addition, it regularly followed the decisions issued by the 'Supreme Committee entrusted with undertaking measures to tackle developments resulting from Coronavirus (COVID-19) pandemic' to trace their impacts on the Sultanate's economic sectors.

Aside from the pandemic, the Department continued to perform its normal functions::



International Reports

Which covered:



Argentina



EU



India



Mexico



Turkey



UK



USA



China



KSA



Qatar



Pakistan



Tanzania

Special Reports



Developments of the UK's withdrawal from the EU (Brexit).



Crisis of the Turkish currency and oil prices



Key global investment trends



U.S. elections



Stock market crash and oil prices decline



Challenges facing a number of key sectors in the Sultanate



Local Reports:

Pursuant to Royal Decree No. 61/2020, issued in June 2020, State-owned companies were transferred to Oman Investment Authority (OIA); consequently, the percentage of OIA's local assets increased. The

Economic and Research Department's team has conducted continuous analytical studies on the Omani economy since the COVID-19 outbreak, taking into consideration its implications and providing a forward-looking outlook.



Markets

U.S. stock markets witnessed a record rise, as Standard & Poor's 500 Index posted unprecedented returns of 26.9%, supported by the energy sector which was among the worst-performing sectors in 2020. Likewise, the Nasdaq and Dow Jones indexes registered significant returns. Still, emerging markets lagged behind compared to developed markets, driven by stringent reform agendas that affected a large number of sectors including education, e-games, and real estate. Moreover, China's Evergrande Group, the world's most indebted property developer, posed a major challenge in the real estate sector after defaulting on its bonds.

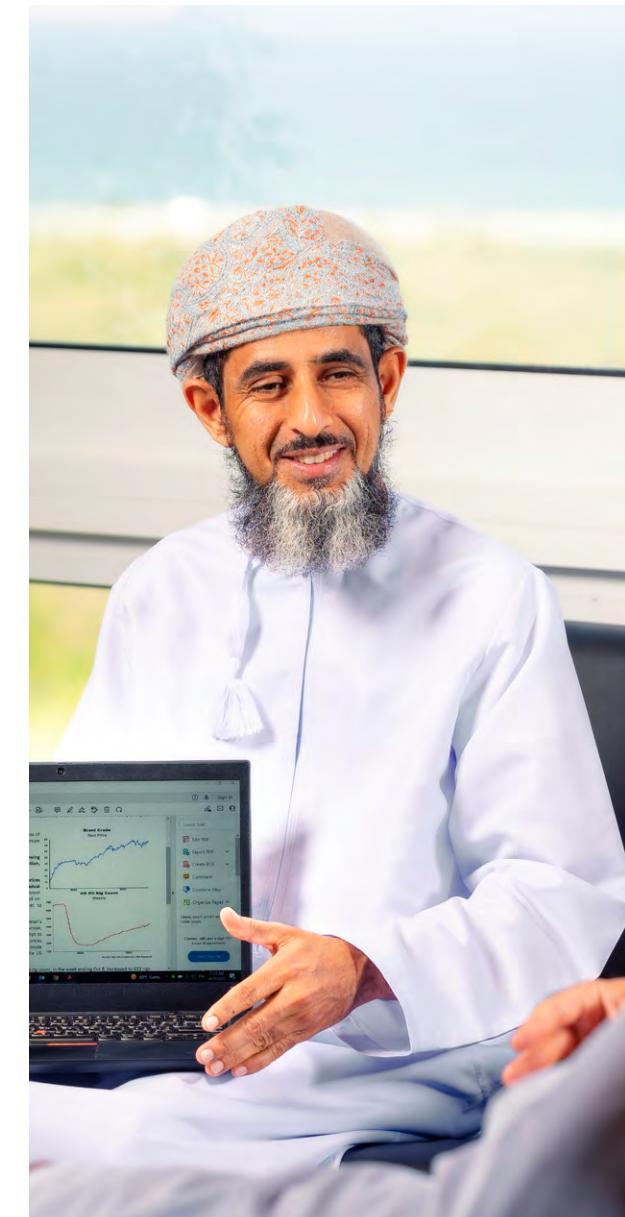
The significant recovery in oil prices that began in Q3-2020 continued, despite obstacles that led to a decline in prices from USD 80/barrel levels. In addition, the emergence of the Delta variant in the summer and the Omicron variant in November was the primary cause of oil price fluctuations. Brent Crude and Oman Crude closed with an increase of 50.1% and 50.2%, respectively, in 2021 as the intervention by OPEC, accompanied by the recovery of global demand, contributed to

increased oil prices. It should be noted that Europe witnessed a decline in natural gas supplies due to the rising geopolitical tensions between Russia and the European Union.



Currencies

The US dollar index closed up by 7% amidst expectations of an interest rate rise by the Federal Reserve. The Canadian dollar was among the best-performing currencies against the U.S. dollar, surging by nearly 1 percent on anticipations that the Central Bank of Canada would tighten its monetary policy at the beginning of 2022. The Japanese yen, with its 10.3% decline, posted the worst performance. In the main emerging markets, the Chinese yuan rose by 2.6% against the U.S. dollar, while the Turkish lira was the worst-performing currency in 2021, recording a 44.5% decrease due to an unprecedented high inflation rate and unsupportive monetary policies.



Major Global Trends:

Factors affecting the global investment environment and OIA's investment strategy

When planning and implementing investment strategies, OIA analyzes key economic indicators and their impact on market direction around the globe with the goal of identifying:

Emerging Markets

Key Sectors

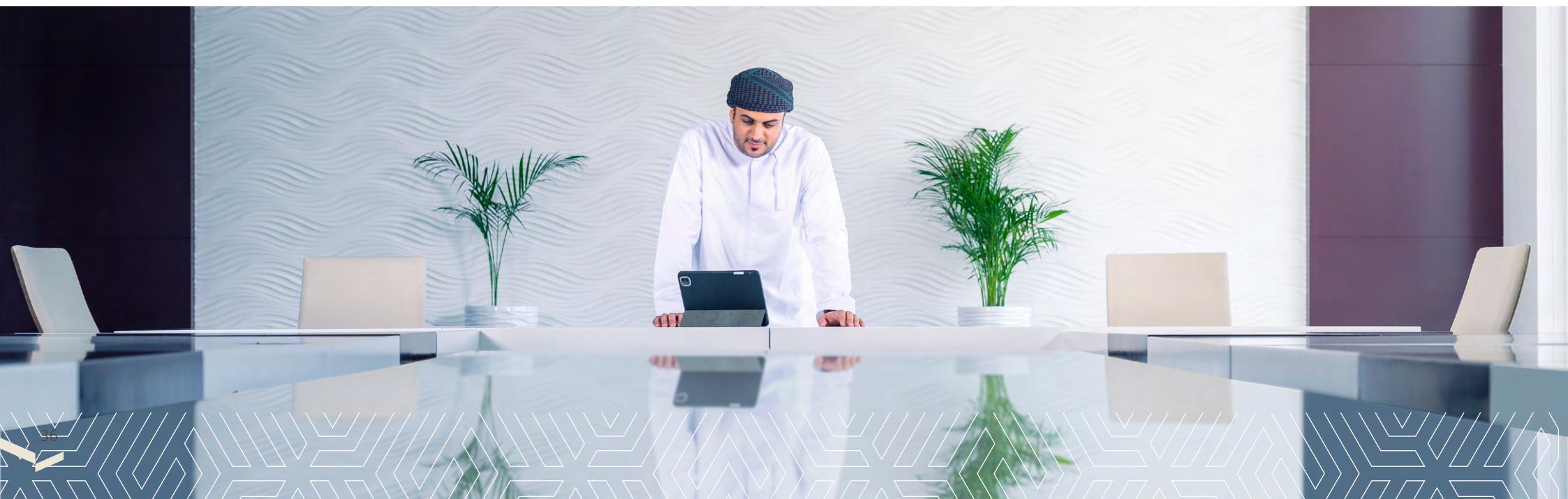
Potential Risks

Investment Opportunities

Five Interrelated Trends

OIA researchers have identified five major trends posing the most significant impact on the investment scene. All of these trends are interrelated, as they affect each other. For instance, global demographic shifts - population growth and expansion of urban areas and cities

- are straining resources and driving the need for technology-based sustainable solutions. The innovative technologies driven by these needs are poised to shape our future and affect the business landscape, as well as the stability of governments and communities.



1- Leading Technological Innovations

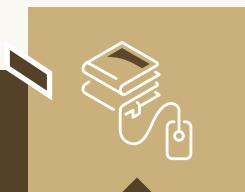
Major trends in technology such as artificial intelligence, internet of things, internet of behavior, big data, quantum computing, nanotechnology, blockchain, DNA sequencing, robotics, energy storage, and 5G are fast emerging.

2- Demographic and Social Changes

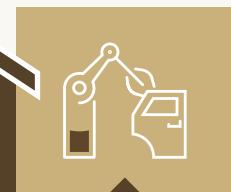
Opportunities for countries with the highest aging populations:

Health technologies: E-medicine, robotic surgery, chronic care, home health services, robotics and artificial intelligence -to reduce pressure in the labor market, nursing homes, accommodation facilities for the elderly, hospice care, and Silver Tec -a technology that helps the elderly stay healthy and active.

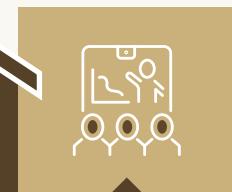
Countries with growth in young populations have the following opportunities:



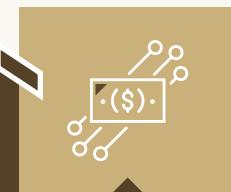
Educational services



Vocational education



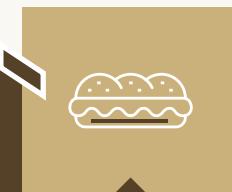
Training programs



FinTech



Parks and recreational facilities



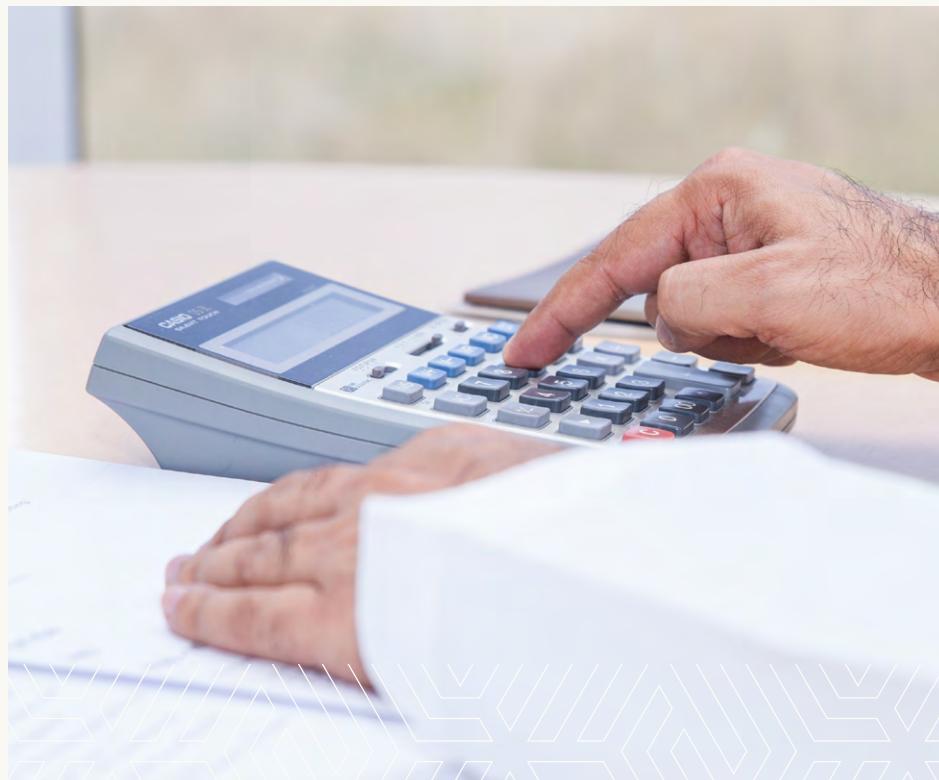
Fast food

3- Urbanization

In 2008, the majority of the world's population lived in cities, and by 2050, two-thirds of the world's population will live in urban areas, according to UN reports.

Investment Opportunities include:

Civil transportation, public transport infrastructure, and financial technology; with mounting pressures on service providers, telecom service providers, real estate rentals, waste management, climate change, and resource scarcity.



4- Climate Crisis and Resource Scarcity

With the world population expected to increase to 9.7 billion by 2050, challenges for natural resources will increase dramatically. Meanwhile, the pressing issue of global warming will further deplete already dwindling resources. Opportunities include mobility enablers such as:



Electric cars



Battery manufacturers



Charging stations



Different types of energy storage



Eco-friendly agriculture



Water purification systems



Food security

5- Changing Economic Forces

Consumption patterns will redefine regional economic significance with the rising influence of Asia, as the region will represent 66% of the global middle-class population by 2030, marking a 28% increase from 2010. This in turn will create more opportunities to supply the growing middle class in emerging countries with goods and services, including:



Designer clothes



Fitness service providers



High-quality food



Broadcasting and gaming services



Travel



Low-cost entertainment activities

The Next Eleven (N-11):

The Next Eleven is a list of emerging market economies described by Goldman Sachs as the new version of the BRICS countries with the fastest economic growth, as they produce about 7% of the global economy. More than half of the population of these countries live in urban areas, except for Bangladesh and Vietnam, whose populations are mainly rural. While these countries are attractive to investment in infrastructure, human capital remains an obstacle given their decreased life expectancy rates and growing need for increased health sector spending, even though their health spending exceeds that of BRICS. Moreover, technology plays a vital role in the long-term growth that competes with the BRICS countries.

The N-11 countries are:



Bangladesh



South Korea



Vietnam



Philippines



Iran



Pakistan



Indonesia



Turkey



Egypt



Nigeria



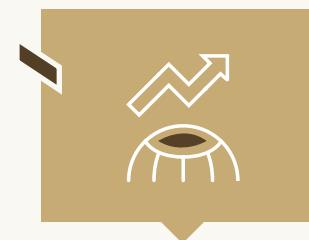
Mexico



Investment Portfolios

Public Markets Portfolio

Investments in this portfolio include liquid financial securities that can more easily be converted into cash relative to private markets. These include:



Global
equities



Local
equities



Multi
assets



Bonds



Short-term
assets

Global Equities

The global equities portfolio invests in various world regions, countries and companies, namely in the following regions:



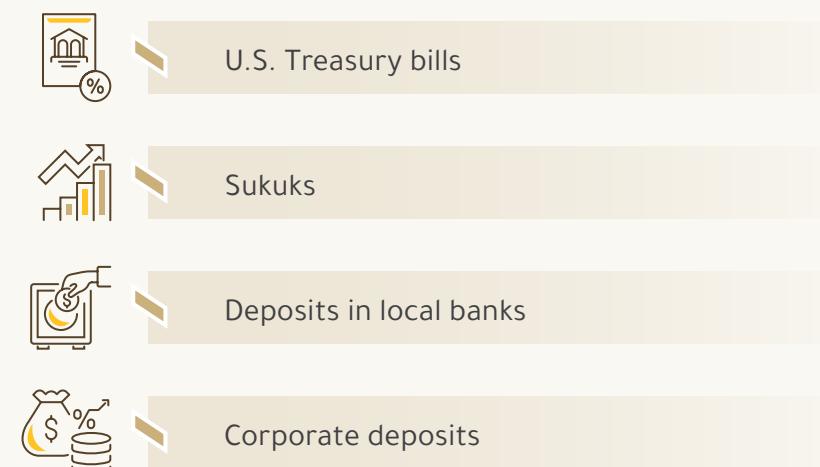
These regions comprise 46 countries across 11 sectors, and over 3,000 companies, allowing diversification of investments and the spread of portfolio risk. This also helps grow investment returns through the studied allocation of investments in certain regions, countries and companies in addition to deploying into actively managed funds.

Global Bond Portfolio

The global bond portfolio invests in a diverse range of publicly traded sovereign, quasi-sovereign and corporate debt securities in over 35 bond markets worldwide, including securities in emerging and developed markets. The main objective is to improve overall risk-adjusted returns through diversifying overall return and risk sources in portfolio investments.

Short-term Assets

Short-term assets are among the safest investments, since they retain liquidity value. These include:



Local Markets

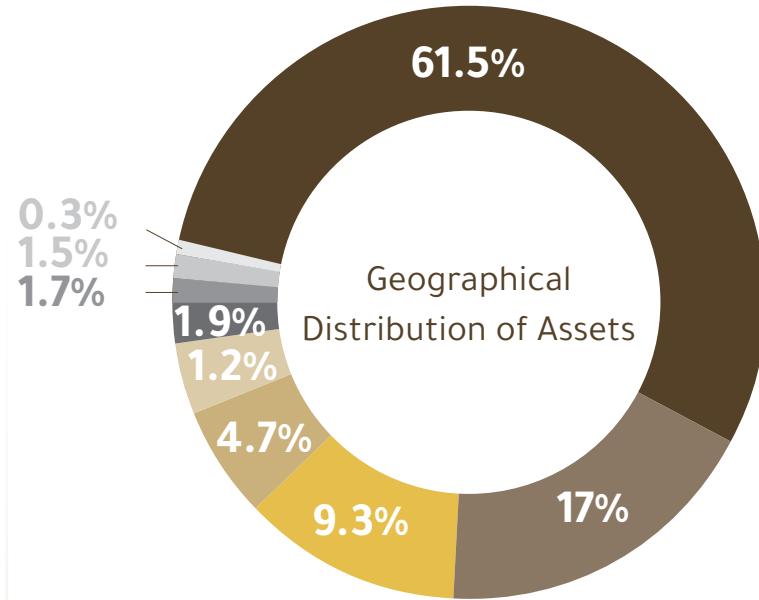
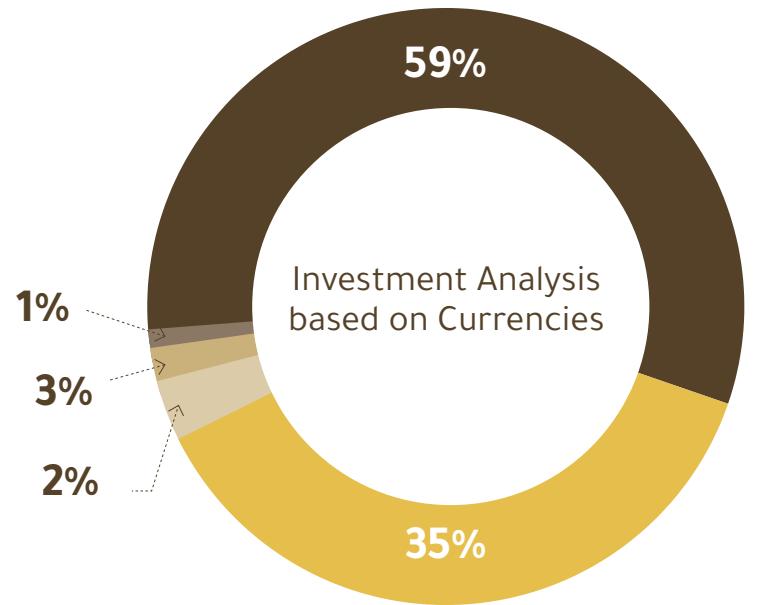
Investments in local markets enhance portfolio value, ensure stability during financial market fluctuations, and add new tools and activities to develop capital markets in the Sultanate of Oman. These investments cover several sectors, including finance, industry, and service sectors.

Multi Assets

This is a strategic investment portfolio in a broad and diversified combination of asset classes and financial instruments, with the aim of achieving an absolute level of return through balancing the returns and risks of a public market portfolio.

Asset Distribution

December 2021



59%



35%



2%



3%



1%

Geographical Distribution of OIA Investments in 40 Countries (December 2021)



Oversight and Monitoring

All assets are subject to close monitoring by the Governance, Risk, and Compliance Directorate to:

- Ensure the distribution of assets according to the allocated strategic and tactical quotas.
- Ensure a sound and robust investment status of the portfolio.
- Achieve OIA's long-term objectives.



External Management of Investments

To guarantee the selection of the most experienced portfolio management entities, OIA sets strict criteria for choosing its external investment managers. Following their appointment, OIA continuously monitors their performance to ensure compliance with investment guidelines and mandated objectives. It also works closely with them to benefit from their research resources, technical skills, and knowledge transfer.

Performance Summary:

- Local equities outperformed the benchmark due to security selection and tactical allocation. The main contributors were banking stocks and Omantel.
- Global equities lagged against the benchmark due to lower risk appetite. On the other hand, the exposure to short-term assets and fixed income provided balance to the portfolio.
- Global bonds outperformed benchmarks due to the high demand for high-quality bonds.
- Short-term assets outperformed general benchmarks due to high demand for domestic fixed deposits.
- Banknotes led multiple assets to outperform benchmarks.
- Domestic markets witnessed a significant recovery despite sluggishness due to the drop in equities.

Private Markets Portfolio

OIA ensures diversifying its long-term investment portfolio by investing in non-tradable assets which are divided into two categories:



Private equity

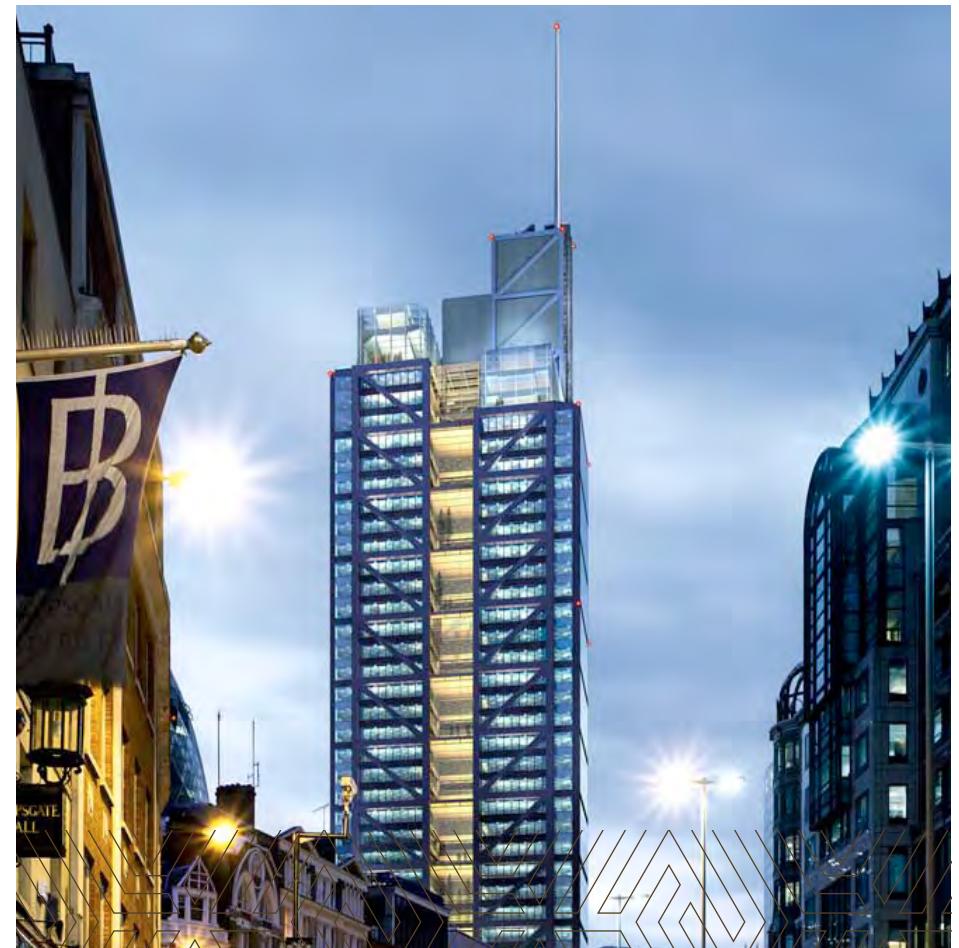


Real estate

Private equity

The private equity portfolio is diversified across several sectors in more than 35 countries around the world. Investments in this category of assets are subject to a set of criteria with a focus on long-term outcomes while taking into account geographical distribution and the ability to exit. Investment decisions are taken prudently after conducting financial, technical, legal, and business studies, as well as risk and business assessments.

Heron Tower - London, UK



OIA is keen to establish strategic partnerships with the best investors, prominent business groups, and other top performers in the markets it invests in.

Sectors

OIA's strategy targets five sectors:



Healthcare



Mining



Ports & Logistics

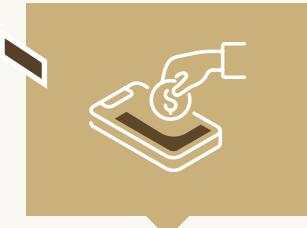


Food Industries



Diversified investments including education, services, technology, and infrastructure.

The private ownership portfolio in these sectors is divided into three categories:



Direct investments



Investment funds



Investments through joint ventures with friendly countries.

Asset Management

OIA's Investment MIS and Transaction Support Department continuously monitors the performance of private ownership investments and does the necessary to ensure the improvement of their performance.

Real Estate

Real estate, with its different asset types and strategies, is considered to be among the resilient investment sectors as it offers capital preservation possibilities and long-term income generation.

OIA's real estate team performs the following:

Invests in diversified strategies, sectors, and geographical locations, taking into consideration the generation of long-term good income at low risk.

Follows a clear strategy to target investment areas with partners.

Seeks a balanced portfolio by searching for investment opportunities geographically distributed across Asia and North America.

Establishes partnerships with friendly countries and invests in joint ventures with partners with expertise in the target areas.

Real Estate Portfolio

OIA's real estate portfolio is diversified between a number of development, added-value, and core long-term projects to achieve the desired returns with acceptable risk levels.

Principal Assets

Principal real estate assets are defined as direct investments in developed markets benefiting from long-term lease contracts with strong tenant covenants aimed at achieving sustainable income with no requirement of management by OIA.

Partnerships

For real estate development projects, OIA enters into partnerships with real estate developers to leverage their technical knowledge and expertise.

Investment Funds

In addition to core investments, which are direct investments, OIA invests with major real estate funds that have knowledgeable and extensively experienced managers.



Performance of Investment Portfolios:

- Since its inception in June 2020 through December 2021, OIA entered 31 new investments in private equity funds in accordance with its approved strategy.
- Investing in SpaceX, a U.S. company specializing in space exploration technologies and operating in the aviation and space transport industry.
- Establishing an investment fund with China Merchant Bank International (CMBI) to invest in future technologies.
- Investing in Muscat Stock Exchange, established pursuant to Royal Decree No. 5/ 2021.
- Investing in Mycotechnology, a U.S. company specialized in the production of alternative food using the latest food technologies.



Zamalek Tower - Egypt



Heron Tower - United Kingdom



Eclipse building - Germany

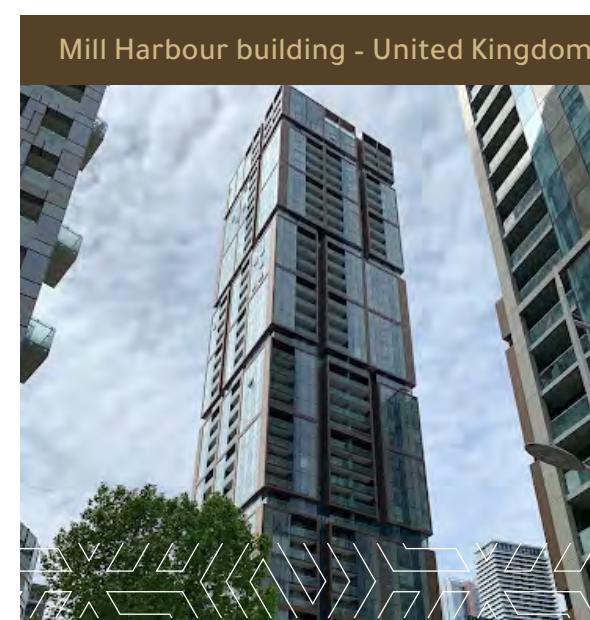
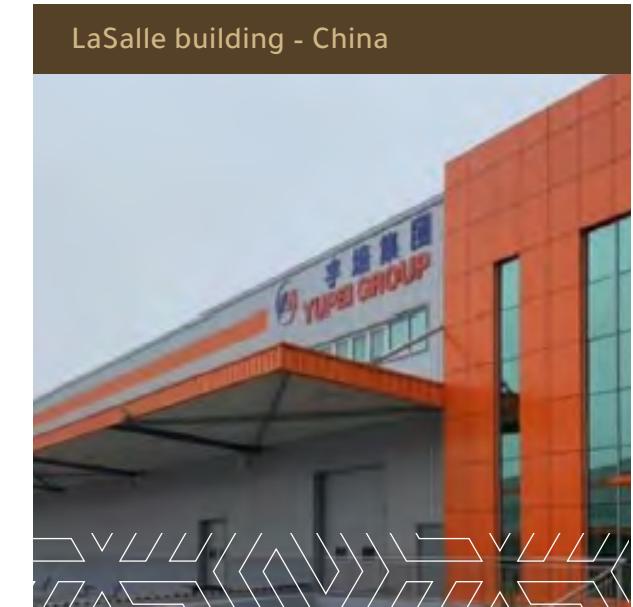
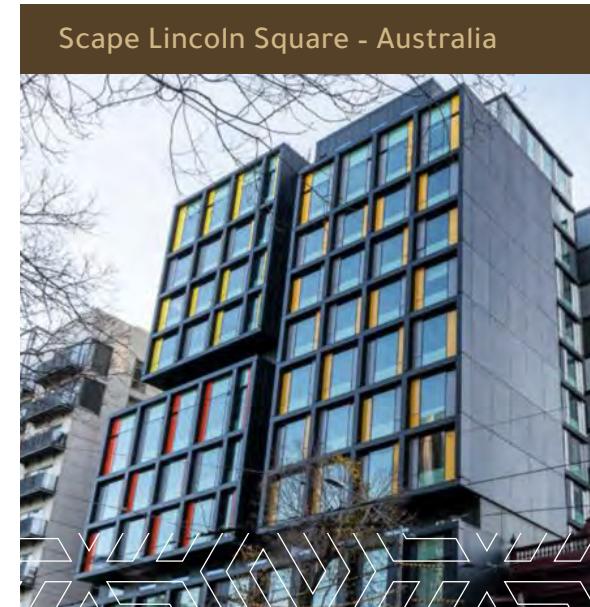
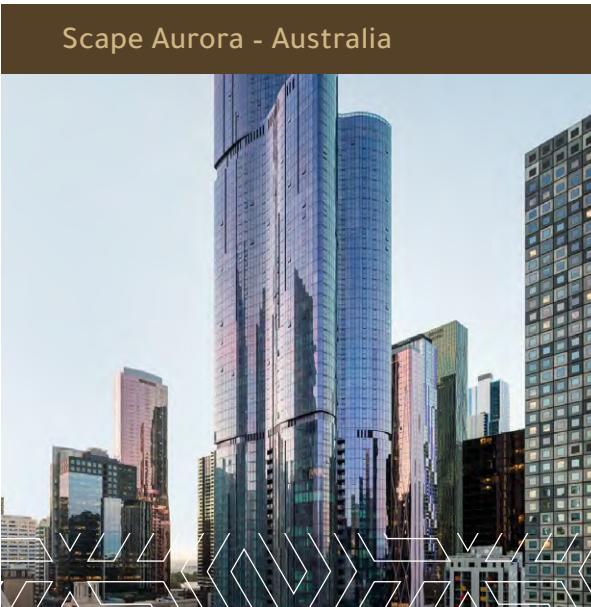


Scape Kingsford - Australia



12 Arthur Street - United Kingdom





Exiting Investments:

■ Zamalek Tower

Partial exit from a real estate project: A tower located in Zamalek Street in Egypt

■ 90 Rue de Courcelles

Full exit from the real estate project '90 Rue de Courcelles' in Paris, with profits 1.996x the investment value.

■ Al Ahli Bank

Full exit from Al Ahli Bank.

■ Cognate BioServices

Full exit from Cogent Biosciences, a U.S. company operating in the health sector, with an IRR of 43.4%.

■ Housing Bank for Trade & Finance

Full exit from the Housing Bank for Trade & Finance, which has several branches in the Middle East and North Africa, with an IRR of 12.8%.

■ Migros

Full exit from Swiss retail company Migros, owner of Turkey's biggest supermarket chain, with an IRR of 1.6%.

■ RAK Ceramics

Full exit from RAK Ceramics in the United Arab Emirates, with an IRR of 2.1%.

■ Kenmare

Partial exit from Kenmare, a mining company in North America

■ First Data

Partial exit from First Data, the leading U.S. company in the field of fintech and payments



Strategic Joint Ventures

These joint ventures were the result of Oman's diplomatic efforts and distinguished relations with other countries around the world. These JVs are mostly concentrated in Asian markets, which represented a robust start to enter into these promising markets.

■ **Vietnam Oman Investment Co.**

Vietnam Oman Investment Co. (VOI) was founded in 2008 as a joint venture between OIA and the State Capital Investment Corporation of Vietnam. VOI invests in businesses and projects in Vietnam which can contribute to development and create sustainable economic growth. The capital of this joint investment is USD 200 million and comprises of 12 investment portfolios.

Key Highlights:

- USD 20 million investment in CMES Company, specialized in the development of rooftop solar power systems.
- USD 30 million investment in VPI, a real estate development company.
- Full exit from investment in BCG solar power plant, with an IRR of 13%, or 1.3x the investment value.
- Partial exit (70%) from CII, a company specializing in infrastructure development projects, with an IRR of ~13%, or 2.4x the investment value.
- Review and update of the company's investment plan in order to handle expected changes in the Vietnamese market, with a focus on the following promising sectors: Technology, education, healthcare, logistics, retail, and industrial zones.

► Oman India Joint Investment Fund (OIJIF)

A joint investment fund between OIA and the State Bank of India. OIJIF was established in 2011 and invests in different economic sectors in India.

Key Highlights:

Oman India Joint Investment Fund (I)

This is a 50/50 joint investment fund between OIA and the State Bank of India with a capital of USD 100 million.

Its portfolio has 7 investment projects.

It exited completely from 13 investments and partially from one investment, with an IRR of 2.3x the investment.

The fund is currently considering exiting from its remaining investments.

Oman India Joint Investment Fund (II)

The capital value of the second joint fund is USD 229 million, of which OIA owns 63%, the State Bank of India owns 22%, and other investors own 15%.

Over 80% of the fund's capital is directed to investment projects.

► Uzbek Oman Investment Co. (UOI)

This joint venture was established in 2010 between OIA and the Uzbek Reconstruction and Development Fund (75% Oman and 25% Uzbekistan). The fund's capital is USD 200 million. UOI was established by virtue of a presidential decree, which exempted the company from taxes for another ten years. The joint venture invests in textiles, food, pharmaceutical products, retail, financial and technological services, real estate, and foreign currencies.

Key Highlights:

The Fund currently has 12 investment projects.

It fully exited from the following assets: Polifleks, Polispektr, Prime Ceramics, Binokor TBS, Binokor HBF, Gold Dried Fruits Export.

The company proposed restructuring its investment portfolio, and the Board of Directors approved this proposal in Q4-2021 to maintain the portfolio's value and improve its returns by shifting from low-return assets to high-return assets.



✓ Oman Brunei Investment Company (OBIC)

Oman Brunei Investment Company (OBIC) was established in October 2009 as a 50/50 joint venture between OIA and Brunei Investment Corporation. OBIC's investment strategy focuses on the maximum capital utilization in companies with high growth potential through private equity and investment in new projects or joint ventures. OBIC seeks to achieve an IRR between 12-15% through a diversified portfolio that includes services, industry, healthcare, education, and tourism.

Key Highlights:

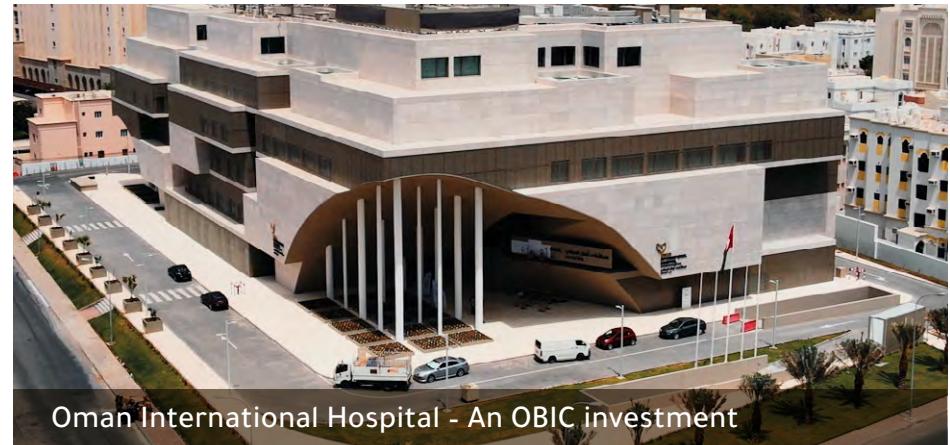
OBIC was founded with an initial capital of USD 100 million, which was later increased to USD 200 million in 2019. The company invests in assets valued at USD 1 billion.

Contribution to the development of several key projects in Oman, including Kempinski Hotel Muscat, Oman International Hospital - which a Portuguese operator manages, a water desalination plant in Sohar in partnership with a specialized company from Spain, and a portfolio concerned with aircraft rentals in partnership with a German company.

Development of a private school in collaboration with an international specialized education company.

Investment in projects in the Sultanate of Brunei, including a shrimp aquaculture project, with another salmon aquaculture project in the works.

Profitable exit from previous investments such as Majan Telecommunication (Renna Mobile), Babylon Medical Services, and a stock portfolio specialized in the energy sector.



Oman International Hospital - An OBIC investment

✓ Spain Oman Private Equity Fund

Spain Oman Private Equity Fund is a 50/50 joint investment established in 2014 between OIA and COFIDES, a company owned by the Spanish Government which provides financial support to Spanish enterprises abroad.

Key Highlights:

The capital of this joint fund is EUR 200 million.

It has 6 investment projects representing 43% of the fund's total capital.

A new investment in April 2021 in Logalty, a company specializing in providing electronic evidence generation services for e-contracting, communications, and personal identification.

❖ Pak Oman Investment Company Limited

Pak Oman Investment Company Limited is a financial institution formed as a joint venture between OIA and the Government of Pakistan in 2001, with an authorized capital of OMR 40 million. The company invests most of its capital in government bonds.

Key Highlights:

The company generated net profits as a result of diversifying its instruments between fixed and floating interest rates. It posted dividends for the year ending on December 31, 2021.

❖ Al Hosn Investment Company

Al-Hosn Investment Company S.A.O.C (HIC), established in 2007, is a partnership between OIA and Qatar Investment Authority. The Company was incorporated as a closed stock company based in Muscat. HIC focuses on investment in the economic sectors of the Sultanate of Oman, including manufacturing, communications and technology, food, healthcare, and education.

Key Highlights:

Currently, HIC has 14 investment projects. In October 2020, the company appointed a new board of directors and CEO to lead the implementation of the company's new strategy to achieve shareholders' objectives (long-term return and strategy). The value of its assets exceeded OMR 135 million, and its capital was increased to OMR 250 million.

Local Investments:

In addition to its investments worldwide, OIA seeks to invest in assets that are expected to add value to Omani society and the national economy. OIA uses its wide international networks to support the government's strategy to attract foreign investments. Pursuant to Royal Decree No. 61/2020 establishing Oman Investment Authority, all State-owned companies, investments, and assets, except for PDO and the government's shares in certain international institutions, were transferred to OIA from the Ministry of Finance. OIA plays a vital role in the governance and management of these companies to align their policies and regulations with its supreme policies to consolidate and align them with Oman Vision 2040, namely: Developing economic diversification resources, increasing the share of non-oil revenues in the GDP, and attracting foreign direct investments to the Sultanate.

Local Investment Sectors: _____

Energy

Public Services

Logistics

Financial Services and Investment

ICT

Food Security



Tourism Development

Industry

Mining

Aviation

Key Updates of the Direct National Investments:



Muscat Stock Exchange (MSX)

- Completion of the procedures for transforming the Muscat Securities Market into a Closed Omani Joint Stock Company named Muscat Stock Exchange SAOC and placing it under the ownership of Oman Investment Authority, pursuant to Royal Decree No. 5/2021.
- Before the Royal Decree, Muscat Securities Market introduced the new electronic trading system (OPTIQ), which enhanced the speed, flexibility, and reliability of the exchange.



Karwa Motors



- The operations of Karwa's factory commenced with the launch of its first branded bus called Salam, which proudly bears the 'Made in the Sultanate of Oman' tag. This project aims to manufacture 500 buses during its initial phases.



IDO Investments

- From the inception of OIA through December 2021, IDO Investments secured 6 investment opportunities with Congenica, eMushrif, Drago's, Crusoe, Gradient, and Kuniko.
- The company continued its investment in Polaris Medical Co. and Teal Drones, Inc.
- The company approved an improvement program for critical investments to keep pace with urgent changes that companies may face in some of the Sultanate's key sectors. Thanks to this program, the company has provided flexible financial mechanisms to Akeed Company and Aphcarios, a leading ventilator manufacturer.
- IDO Investments established a new platform that acts as an incubator for startups and innovation in the Sultanate. It comprises a website that provides the opportunity for entrepreneurs to present their work, access resources, contact consultants in relevant fields of interest, and obtain a general understanding of the nature of startups.



Majan Glass

- The company delivered its products to top glass companies in the US and UK, in addition to several new clients in the region

National Assets



OQ

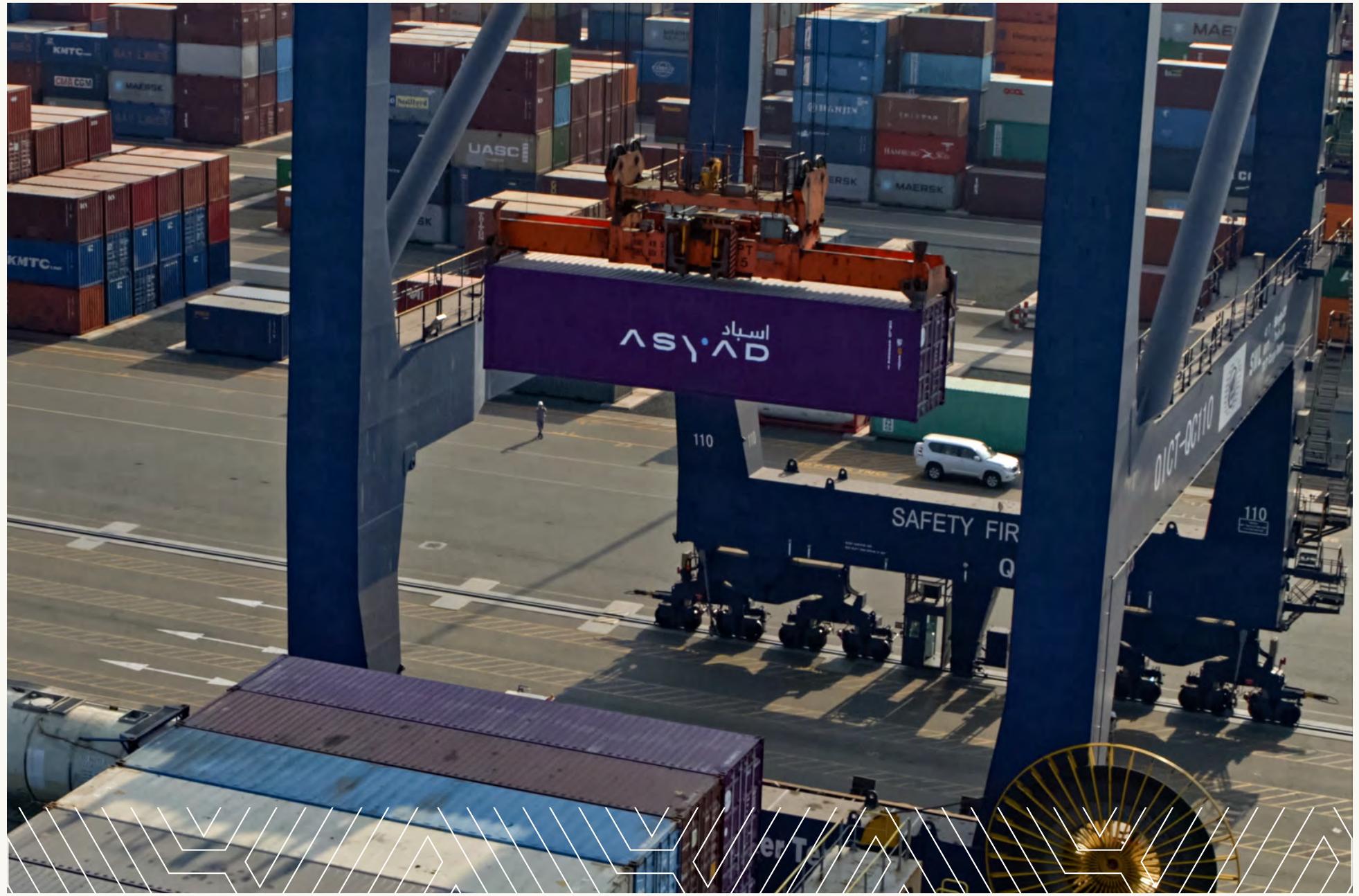
- Approved an exit plan valued between OMR 1.5 billion and OMR 2 billion through selling some shares to the private sector or offering them for subscription in the public capital market and attracting strategic partners to benefit from their knowledge and improve performance.
- Exited from its investment in Bharat Oman Refineries and REN Company and transferred the company's shares in Oman Shipping Company to OIA.
- Launched the Alternative Energy Department to support renewable energy initiatives like green hydrogen and ammonia. In addition, it signed several agreements with international companies to develop several renewable energy projects in Dhofar and the Special Economic Zone at Duqm.
- Issued bonds valued at OMR 288 million in the international capital markets at a competitive price, with significant participation of major investors and financial institutions.
- Commissioned a significant package of development projects: the Liwa Plastic Industries Complex project (OMR 2.7 billion), the Liquefied Petroleum Gas project (OMR 326 million), and the Ammonia Project (OMR 178 million).
- Increased production 5x at the Bisat Project and reduced the cost of well drilling by 20%. The company completed the Bisat B Project in record time, about 14 months, which made it possible to double production well above capacity in Concession Area No. 60.

- Completed negotiations with partners and signed a number of agreements with the Ministry of Energy and Minerals, Shell, and Marsa LNG (an alliance between OQ and Total) to develop Concession Area No. 10. Production of gas and oil condensate is expected to begin in mid-2023.
- Despite the challenges faced by the company due to the Covid-19 pandemic, its plastic polymers were exported to more than 75 countries, with optimum satisfaction among customers.
- Developed a general governance framework for social investment programs, and a medium-term strategic action plan for all social investment programs, sponsorships, and voluntary initiatives, in addition to initiating the implementation of 13 sustainable projects across different governorates.



- Posted a net profit of OMR 52.4 million in 2020 and a net profit of OMR 47.4 million in 2021.
- Recorded positive growth of 5% in the volume of containers handled in the ports run by the group in 2020, and positive growth of 2% in 2021.
- Contributed to the management of the COVID-19 crisis by ensuring continuity of port operations and the smooth commercial movement and transport of main consumer commodities.
- Classified as the fastest handler of containerships in the world by the United Nations Conference on Trade and Development (UNCTAD).
- Expanded its network of container shipping lines and inaugurated the first direct shipping line between the Sultanate and Arabian Gulf ports (Gulf Express Line).
- Restructured its asset portfolio through integration and merger of the group's subsidiaries, privatization, or cancellation and transfer of non-core activities to the competent entities.
- Restructured the International Maritime College Oman (IMCO) prior to transferring it to one of the private universities or colleges, which led to an annual saving of half a million Omani rials.
- Launched an interactive and systematic database to study and analyze data for tracking the movement of the Sultanate's imports and exports.
- ASYAD Dry Dock registered net profits for the first time since its incorporation in 2011 as a result of establishing new sources of income, rationalizing spending, increasing productivity, and targeting projects with high-profit margins.

- Asyad Shipping generated record revenues totaling OMR 41 million as a result of improved performance of the containers sector, and expansion of the company's commercial operations and shipping network.
- Exited Oman International Container Terminal and generated good returns from the transaction.
- Launched marine services at Duqm Port, in addition to running operations of the general cargo terminal at the port.
- Operation of Khazaen Dry Port, the first in-land dry port in the Sultanate of Oman.
- Launched the one-stop shop at Salalah Port.
- Invited tenders for the management and operation of the container terminal at Duqm Port.
- Launched the giant oil tanker (Dhalkut), adding it to its maritime transport fleet.
- Set up the construction operations of small and medium-sized ships in the dry dock, and handed over the first ship to one of the private sector companies.
- Established ASYAD Express Completion and Distribution Center, which provides integrated and innovative services and solutions.
- Restructured the postal network and closed 14 unprofitable branches, leading to financial savings.
- Established the Integrated Logistic Commercial Shipping Services (ILS) and launched its first service.
- Forbes Middle East classified Asyad Group as the fourth largest logistics company in the Middle East and North Africa.
- Completed the first phase of Khazaen Economic City, in addition to attracting 58 local and international investors, for a total investment value of OMR 93 million within a short period.



- Completed the restructuring of the water and wastewater sector to form: Dhofar Integrated Services Company and Oman Water and Wastewater Services Company.
- Reduced the financial impact of redirection of electricity subsidies on social security families, low-income families, and small and medium-sized enterprises by allocating OMR 300,000 to partially cover their bill payments. Moreover, the distribution companies suspended the procedures for disconnecting electricity from customers for a period of 6 months.
- Oman Power and Water Procurement Company (OPWP), one of the Group subsidiaries, announced the launch of two solar power plants (Manah Solar I and II). In addition, the company signed a power purchase agreement (PPA) with Shams Ad-Dhahira Generating Company to build a 500 MW solar power project in Ibri. It also executed a water purchase agreement for the Al Ghubrah 3 Plant in order to produce 300,000 m³ of water per day, as well as a water purchase agreement for the Barka-5 Power and Water plant to produce 100,000 m³/day.
- Increased the percentage of consumption measured by smart meters to exceed 40% of total power consumption.
- Launched the Naqla Project to train and qualify 125 aspiring Omani electrical technicians.
- Launched Wayakum, the largest technical volunteering program of its kind, with more than 237 volunteers who repaired 4376+ houses damaged by Cyclone Shahin.
- Started the commercial operations of Ibri II Solar Power Plant in September 2021.



- Produced 20.8 million metric tons of LNG.
- Achieved a record plant efficiency rate of 97%.
- Attracted national competencies, reaching an Omanisation rate of 91.7%.
- Loaded 318 LNG cargoes from the company's plant in Sur, including 233 cargoes for Oman LNG and 85 cargoes for Qalhat LNG.
- Offered 100 training opportunities for graduates in collaboration with OIA and the Ministry of Labour.
- Added 8 new cargoes to the annual production capacity through the strategic debottlenecking project.
- Allocated USD 9.9 million to support social responsibility programs, contributing a total of USD 16 million to support efforts to mitigate the impacts of Cyclone Shahin.
- Produced the first carbon-neutral LNG shipment for environmental projects in the Middle East, which utilizes nature-based carbon credits to offset full lifecycle CO₂ emissions.
- Commissioned the first gas-powered plant for electricity generation in the Sultanate of Oman, leading to enhanced efficiency and reduced emissions.
- Offered 700 job opportunities through contracting agreements, and supported 50 SMEs in various fields.
- Awarded projects worth OMR 22 million to local companies.
- Reached 10.25 million hours, 688 working days, and 36.6 million km driven without a Lost Time Injury.
- Conducted 9 studies on promoting research, development, and innovation in order to develop local capabilities through green hydrogen and technology-related projects.

- Entered into a partnership with Stork International, with a 35% stake in the Sohar Titanium project, and began the engineering design phase of the project.
- Acquired a 14.8% stake in an integrated castings project for the production of high-quality aluminum alloy wheels in the Sohar Industrial Zone.
- Entered into a partnership with a local company and another international company to study and develop a salt production project in Mahout (Naqaa Salts) for use in downstream chemicals and other industries. All necessary environmental and exploration permits were obtained.
- As part of OIA's efforts to restructure government investment assets transferred to it, Oman Mining Company was transferred to MDO, which focused on restructuring the debts incurred by the company and on developing a plan for transferring Omani employees to a number of the group's projects. It also conducted studies for a number of geological assets owned by the company, such as limestone in Wadi Al-Jizzi and Block 4 in Sohar.
- Transfer of OIA's 20% stake in Kunooz Oman Holding, which specializes in the mining, quarrying, and construction materials sectors, to MDO.
- Acquired 70% of Duqm Quarries.
- Entered into economically feasible projects, such as the Mazoon project for copper ore mining in Yanqul, the Shaleem Project in Shaleem and Al Hallaniyat Islands, for mining industrial minerals, such as limestone, gypsum, and Dolomite rock.
- Acquired 12 concession zones with a total area of 21,000 km² for exploration activities across different governorates of the Sultanate.
- The company has continued its exploration program efforts of cataloging geological assets in order to create a detailed and scientific minerals database for the Sultanate.
- Ahjaar Mining began its commercial operation phase of the Gabbro Quarry in Liwa.





- Coordinating with Export Credit Guarantee Agency of Oman S.A.O.C (Credit Oman), in collaboration with the Spanish Export Credit Agency to facilitate the construction of two fishing vessels for large pelagic fish in the Indian Ocean, including yellowfin tuna.
- Added 'Al-Wusta Jewel' to its commercial fishing fleet of pelagic fish, increasing the number of large commercial fishing ships that handle integrated processes, including fishing, processing, packaging, and selling to 3. The vessel has 60 crew members, and its production capacity is about 1,600 tons per voyage.
- A new tuna fishing vessel is currently under construction in Spain and is expected to enter into service in 2023.
- The Qurun Shrimp Farm initiated operations in late 2021 and work is currently in progress to complete the shrimp farm in Khuwaimah, which is expected to commence operations in 2022.

- The One Million Date Palms Project was transferred to the company, which will help increase the local production of high-quality dates, as well as increase exports of Omani dates to international markets.
- Al Bashayer Meat Company commenced its operations in Thumrait as the first and largest integrated red meat project in the region. The project expanded to export its products to GCC countries and Africa. The company is expected to contribute to increasing the self-sufficiency of red meat in the Sultanate from 37% to 46%.
- Established the Agricultural Production and Marketing Company, which works with farmers by building centers for collection, sorting, classification, and packaging of their agricultural products, according to type and quality, in order to meet market requirements.
- Mazoon Dairy launched more than 220 different products and increased the company's Omanisation rate to 70%.
- Started exporting Mazoon Dairy products to more than 14 countries.
- Completed 91% of Al Namaa Poultry Project.
- Commenced operation of Al Murooj Dairy Company, establishing 3 centers for the collection of camel and cow milk.



OMRAN
Group

- Inaugurated the 112-unit Alila Hinu Resort in Mirbat, Dhofar.
- Several assets were transferred to Omran Group such as Alila Salalah Company, Yiti Tourism Development Company, and the Green Peak project.
- Transfer of OIA's shares in ASAAS to Omran.
- Inaugurated the dusitD2 Naseem Resort, Jabal Akhdar, in Al Dakhiliyah, which has more than 250 hotel rooms and suites.
- Started construction works for Yiti City Project in Muscat, with a total area of +11 million m².
- Started construction works for Al Haffa Market in Dhofar.
- Studied and reassessed the Sultan Qaboos Port waterfront development project.



Oman
Development Bank

- Implemented Royal Orders regarding the exemption from interest on accrued loan payments and the launch of an interest-free and fee-free credit facilities package program for self-employed individuals involved in projects affected by the Covid-19 pandemic.
- Responded to directives of the Central Bank of Oman regarding the postponement of loans for the second, third, and fourth packages. Also deferred installments of emergency loans for Programs 1 and 2 until the end of 2021, and launched a financing product for SME projects affected by the pandemic.
- Launched Rifi, a financing product for rural women.
- Launched an automation system for microloan applications.
- Activated an online application system through the official website for microloan applications.
- Launched an internal audit automation program compliant with international standards.
- Approved the financing of 4,687 loans during 2021 for OMR 53.9 million, of which OMR 49 million were disbursed in the same year.

- Completed the closing of the first cell in both Barka and Al Multaqa engineered landfills.
- Designed and constructed Al-Mudhaibi Integrated Engineered Landfill, which was carried out by qualified Omani employees in the company.
- Opened a leachate treatment plant in Barka's engineered landfill.
- Started waste management operations in PDO's oil fields.
- Signed contracts with several industrial waste generators: Vale, Oman LNG, Halliburton, Schlumberger, and OQ.
- The company was included on Forbes' list as one of the Middle East's most sustainable companies.
- Revenues collected from hazardous industrial waste totaled OMR 2.5 million.
- The company's Ramadan campaign placed second in the ISWA Communication Awards in 2021.

OICT GROUP

المجموعة العمانية للاتصالات وتقنية المعلومات

OICT Group

- Launched the first Omani solutions using IoT and made an investment in Onsor, the Sultanate's first computer manufacturer.
- Restructured Oman Technology Fund (OTF).
- Supported the first Omani private investment: venture capital fund Phaze Ventures.
- Purchased a share in the leading Blockchain Solutions and Services Company.
- Executed a key agreement with Oracle, the leading global cloud service provider.
- Secured approval for innovation in global communication solutions via free access, positioning the Sultanate among the top data incubator countries.



**Oman Housing
Bank S.A.O.C.**

- Pursuant to Royal Decrees issued in December 2020, the annual allocation for borrowing in 2021 was increased from OMR 60 million to OMR 100 million, with the aim of reducing the waiting period for granting housing loans to citizens.
- Commenced a comprehensive review process for the Bank's strategy for future growth plans and development of sustainable growth opportunities.



مطارات عُمان
Oman Airports

Oman Airports

- Sector restructuring and merger of ground handling and air freight companies (SATS) and Airport Cities Project with the Airports' Management Company.
- Maintained operations despite the challenges associated with the Covid-19 crisis, which resulted in a sharp drop of more than 70% in passenger traffic.



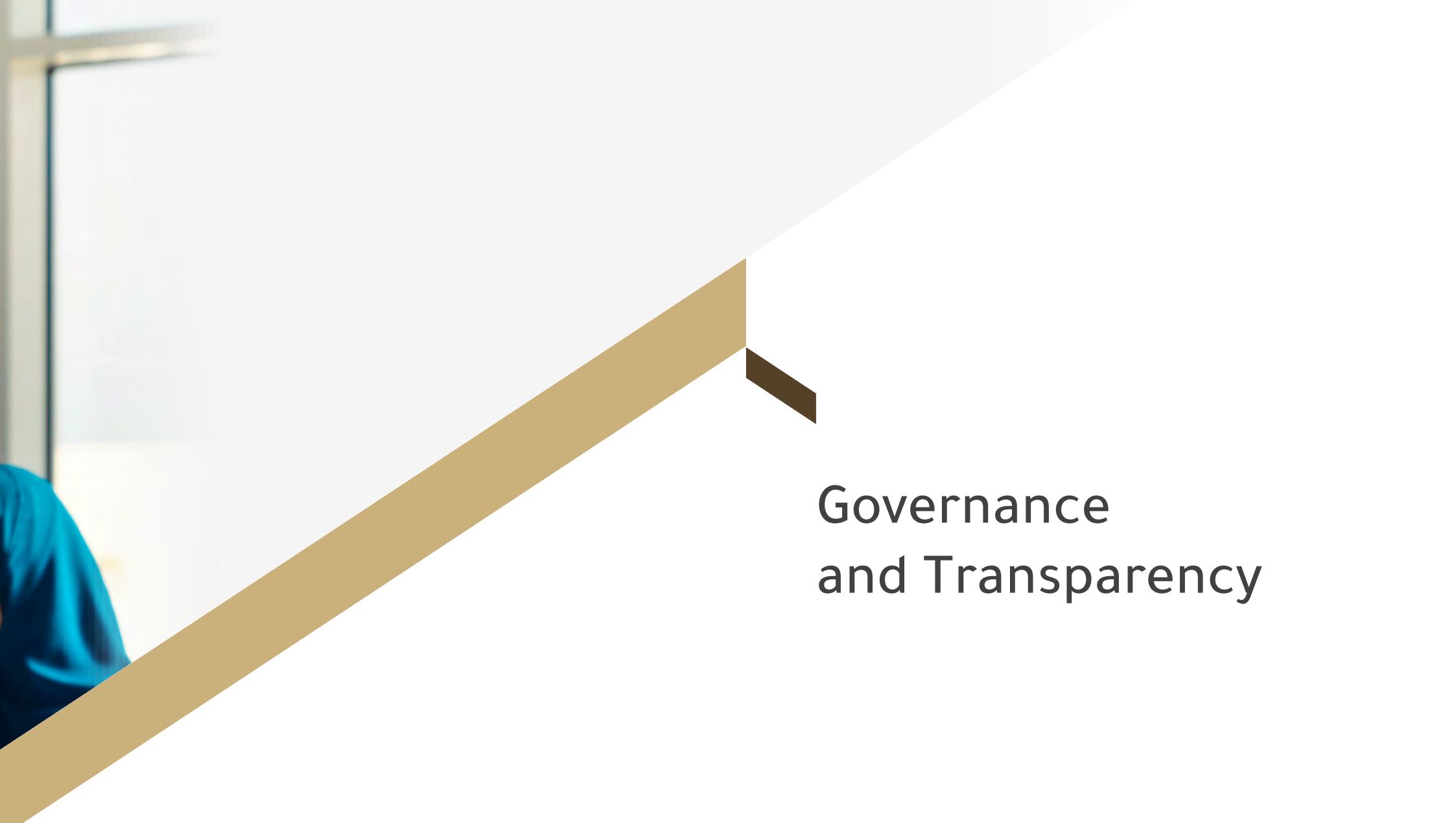
الطيران العماني
OMAN AIR

Oman Air

- Sector restructuring and transfer of Muscat Duty Free and TRANSOM Catering to Oman Air.
- Improved the efficiency of OPEX and reduced expenses through debt restructuring and renegotiating with suppliers, including aircraft manufacturers.
- Agreed to delay the handover of 6 airplanes until after the pandemic in order to reduce commitments.
- Reassessed the company's business plan and fleet size.







Governance and Transparency



Governance and Transparency: Introduction

OIA is committed to the principles of transparency and governance and it cherishes the trust it has gained from its partners and supporters. OIA spares no effort in maintaining the reputation it has gained and the trust it has built, which are reflected in all its achievements and successes. Trust and reputation are the key foundation on which OIA bases its responsibility as part of the national efforts to provide a better future for the Sultanate and future generations.

Roadmap Towards Transparency

OIA has taken a number of steps to create a solid internal foundation and maintain high levels of governance and transparency. The most notable step taken towards achieving this goal was the issuance of the Delegation of Authority Manual, and the Investment Manual. Both provide a roadmap for each OIA department and unit to prevent any conflict of responsibilities or undesired overlap between the authorities granted to each department and to maintain the integration between department duties in a manner that achieves OIA's objectives.

Code of Conduct

This is a guide outlining the ethics and behaviors all OIA employees should comply with in all activities they perform.

Whistleblowing Policy

A whistleblowing policy was set up to reflect the OIA's firm belief in the importance of standing together to prevent any OIA staff or member from committing improper practices that may damage OIA's reputation or jeopardize its financial status.

- The policy provides a high level of confidentiality to protect the identity of the whistleblower.

The policy allows the whistleblower to describe certain incidents or employees who violate work guidelines or procedures at OIA, whether they be financial transactions like tenders and investments, administrative operations, or other incidents. Based on such reports, an independent committee carries out an internal investigation and then refers its report to the relevant authorities. To report violations, kindly contact us at the following e-mail: whistleblowing@oia.gov.om. Or call us at: 24745700.

Website

OIA's website is the gateway that connects it with the public at home and abroad. It is in both Arabic and English and provides information about the nature of the OIA's business, its investments, and future vision.

Governance Framework:

Best Practices

OIA has been working towards updating and improving its governance frameworks to keep pace with the latest requirements and achieve a better operational and investment performance. It also aims to achieve the goals entrusted to it pursuant to Royal Decree No. 61/2020. OIA applies the best international governance practices to guarantee the enforcement of an effective and flexible system without contravening the existing laws.

General Governance Framework

The governance structure of OIA comprises a set of executive, administrative, and regulatory levels that include the OIA regulatory bodies represented by:

Council of Ministers

OIA Board of Directors

An independent Audit Committee and its Internal Audit Team

Executive Committees

Executive Committees

Consist of:



Investment Committee



Human Resources Committee



Tenders Committee



Information Technology Committee



Business Continuity Management Committee

Duties and Responsibilities

Board of Directors

Article 2 of Royal Decree No. 61/2020 stipulated that Oman Investment Authority shall have a Board of Directors formed by virtue of an order from His Majesty the Sultan. Royal Decree No. 57/2021 specifies the duties and responsibilities of OIA's Board of Directors.

Audit Committee (AC)

The Audit Committee is formed by and reports to the Board of Directors and assists it in the execution of its responsibilities by ensuring compliance with OIA's guidelines and principles.

The committee performs the following duties:

- Enhances the effectiveness of internal and external auditors by interacting with them and distancing them from the direct influence of the management
- Provides substantive expertise to the Board of Directors on matters related to governance and internal control frameworks
- Establishes a strong regulatory environment in OIA by supporting the Board in overseeing the financial reporting process, reviewing the internal control framework, and ensuring an appropriate framework for risk management and legal and financial compliance within OIA.

Investment Committee (IC)

The Investment Committee is the main body responsible for making investment decisions. It is also tasked with the implementation of OIA's strategies and allocation of assets approved by the Board of Directors.

The committee performs the following duties:

- Responsible for the overall supervision of OIA's investment portfolio
- Determines the tactical distribution of assets within the framework of the approved limits
- Decides on the implementation of annual investment plans
- Reviews the public, private, and real estate investment proposals prepared by the relevant business units

Generally, the Investment Committee bases its resolutions on the proposals tabled by OIA's various business units. It also monitors the performance of the investment funds and makes its recommendations for reconsidering the distribution of strategic assets in line with global variables so that OIA's Board of Directors can make a final decision in this regard.



Human Resources Committee (HRC):

The Human Resources Committee is responsible for the following duties:

- Draws up HR's overall strategy as well as policies and plans aimed at enhancing the skills and competencies of OIA's human resources
- Approves the staff training plan
- Develops solutions to challenges relating to human resources
- Reviews staff remuneration, bonuses, incentives, and promotions
- Reviews and assesses the annual performance of OIA personnel

The annual plans prepared by Human Resources are reviewed and approved by the HR Committee, which also supervises the implementation of the approved strategy for OIA's human resources.

Tender Committee (TC)

The Tender Committee performs the following duties:

- Formulates tenders and bidding procedures for tenders worth less than the amount specified by the Tender Board.
- Assesses the technical and commercial merits of each bid and submits its recommendations to those in charge of accepting or rejecting the recommendations.

The Committee ensures compliance with the procedures set forth for offering, evaluating, and awarding tenders.



Information Management Committee (IMC):

The Information Management Committee (IMC) performs the following duties:

- Provides strategic and tactical guidance for managing OIA's overall technology systems on both short and long-term basis, according to the approved IM strategy.
- Ensures that system development and maintenance projects are consistent with strategic business goals.

Business Continuity Management Committee (BCMC)

The Business Continuity Management Committee is entrusted with providing strategic direction to bring operational flexibility to Oman Investment Authority. It also plays a significant role in overseeing the implementation of the business continuity management program at OIA under any emergency circumstances. It performs the following roles and responsibilities:

- Ensures integration of sustainability and flexibility into the organization's culture and daily operations.
- Supports communication processes at the corporate level to demonstrate the commitment of senior management and the Board of Directors to the Audit Committee
- Promotes a work environment that is built on accountability, and ensures business continuity and flexibility across different departments and divisions
- Reviews business continuity, and emergency and crisis planning measures on a regular basis to ensure continuity of business services

- Provides guidance to ensure continued implementation of key tasks and retains the necessary competencies and capabilities to ensure recovery in emergencies
- Ensures that business continuity management outcomes and planning measures for emergencies are tested and reviewed properly



Secretariat of Boards and Committees:

Board of Directors

Organized 8 meetings for the Board of Directors from the inception of OIA in June 2020 through the end of 2021.

Investment Committee

- Held 54 meetings from June 2020 to December 2021
- Issued 81 decisions during these meetings

Reporting

Prepared a report on updates of the Investment Committee (from September 2020 to March 2021) for submission to the Board of Directors.



Thiqat Platform

Oman Investment Authority (OIA) launched 'Thiqat' in 2020 to enable highly talented, competent, experienced, and capable candidates to apply for board memberships in OIA Companies. Qualified individuals can register and upload their CVs, qualifications, and experience certificates for easy reference. To register on the platform, kindly visit the following link: <https://thiqat.olia.gov.om>

Objectives

- To promote community participation in corporate governance
- To offer an opportunity for talented, competent, experienced, and capable candidates to apply for board membership
- To attract top national competencies, and benefit from their capabilities and skills.

2400+

■ Registered candidates
in the platform until
31/12/2021

2000+

■ Qualified applicants
who met requirements
until 31/12/2021



Internal Audit and Control:

Governance Manual

To ensure smooth and effective performance, the Governance Manual aims to:

- ✓ Define the responsibilities of each OIA department.
- ✓ Define the roles of:



To ensure transparency and facilitation of the auditing process, the manual describes mechanisms for selecting committee members and documenting their meetings.

Internal/External Audit

To ensure transparency and guarantee the best control, OIA transactions go through different auditing levels:

Internal Audit Committee

Reviews financial statements and transactions after being audited by the Internal Audit Department. The Committee meets once every three months.

External Auditors

OIA's Board of Directors appoints different external auditors in order to ensure the auditors' independence and full control over OIA's transactions.



State Audit Institution

OIA is also subject to audit by the State Audit Institution, which is considered an independent regulatory body that oversees the performance of government units in Oman, and presents its remarks on OIA's financial performance, investments, and other transactions.

Internal Audit Directorate

OIA's Internal Audit Directorate enjoys complete independence and performs the following duties:

- Provides auditing, consultation, and safety controls in relation to adding value to OIA's operations.
- The Directorate assists OIA in achieving its objectives through an organized and disciplined methodology in order to assess and enhance OIA's governance, risk management, and internal controls.
- The Department is subject to direct supervision by the Audit Committee, and the Chief of the Directorate reports directly to the Audit Committee and to the president with regard to administrative matters.
- The Internal Audit Directorate receives its authority and power directly from the Chairman of the Audit Committee. The Directorate covers all core activities of OIA, including investments in private markets, real estate, public markets, and all the other support and control functions.

The annual internal audit plan is undertaken through a systematic and coordinated process that includes prioritization based on potential risks.

Key Achievements

- Conducted 27 audits in line with the approved audit plan.
- Conducted 4 investigations and reviews of reported violation incidents.
- Actively engaged with Rawabet Program and developed the guiding principles for the auditing group of OIA Companies.
- Developed the auditing model and ToRs for the risk committees of OIA Companies.
- Developed the revised organization structure and operating model for internal auditing.
- Shareholder audits: Led shareholder audits for a global team from the Community Interest Corporation (CIC) and Cosco Shipping Lines (COSCO) in charge of Chinese commercial holdings, to audit one of the ports.
- Government Audit Coordination Unit: Acted as a link between the State Audit Institution and OIA's work and investment teams by providing logistic and operational support.
- Provided support to the Information Management Directorate in the verification of the auditing of the information security management system (ISMS: 27001:2013) by conducting the required audits for verification.
- Led a shareholder audit of Vietnam Oman Investment, Minerals Development Oman, and Oman Technology Fund.

Governance, Risks and Compliance Directorate

The Directorate has the following responsibilities:

- Working in accordance with best international standards
- Working closely with the management and investment teams to protect OIA's assets and create an added value to investment operations
- Provides reliable information to support the management in making proper decisions in all OIA strategic projects
- Promotes risk awareness across all OIA departments

Key Achievements

Completion of the agreement on risks and analytical performance for the BlackRock Aladdin Portfolio.

Conducting compliance and risk analysis investigations for 57 investment proposals:

- 30 private property funds.
- 37 direct investments in private property.

Support the Rawabet Program in drafting the Code of Governance for OIA Entities and a number of policies and guidelines, including:

- Risk management.
- Business continuity management.
- Tenders and procurement.
- Investment.

Commencement of the risk assessment and reporting process, in addition to a compliance assessment of 11 companies with regard to diversifying economic investment.

Conducting a risk assessment for 3 investments in foreign public markets.

Completion of OIA's self-assessment for 2021, in accordance with the Santiago Principles established by the International Forum of Sovereign Wealth Funds.





A photograph of a person's back and side, wearing a light-colored cap and a white shirt. They are standing next to a yellow wall. The image is partially obscured by a large, solid gold-colored diagonal bar.

Operations

Investment Support Units:

Oman Investment Authority seeks to meet its investment objectives and achieve long-term sustainable returns through a comprehensive system of teams and departments to ensure smooth, efficient, and effective workflow at all levels.

■ Finance and Investment Operations Directorate

This Directorate has the following responsibilities:

- Operates in accordance with international financial standards.
 - Provides reliable data and information about OIA's accounts, financial performance, and assessment of its assets.
 - Provides periodic financial statements to the Audit Committee, the Board of Directors, and any senior authority, as needed.
 - Prepares OIA's annual budget and follows up on its implementation.
 - Prepares periodic financial reports for all portfolios managed by OIA, and measures the performance of these portfolios with reference to the established standards and objectives.
 - Follows up on remittances, settlements, and investment transactions, and manages special purpose vehicle projects.
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Key Achievements

Successful redemption of a German withholding tax worth USD 1.5 million on public market investments, in addition to redemption of a Dutch withholding tax worth USD 1.13 million on a private equity fund, and mitigating exposure to taxes worth EUR 40 million on private equity investments in Cyprus.

Automating the workflow of private market transactions.

Completing the asset merger of the State General Reserve Fund, Oman Investment Fund, the Ministry of Finance, and their operating budgets successfully into OIA after its establishment in June 2020.

Implementing the disclosure system (XBRL) for OIA Companies in collaboration with the Capital Market Authority.

Completing the assessment of the assets transferred from the Ministry of Finance to OIA, and transferring their legal subordination to OIA.

Assessing more than 250 investments distributed between private assets, real estate, and local companies.

Successful classification of OIA as an investment entity under the International Financial Reporting Standards (IFRS).

Completing the implementation of the value-added tax law on OIA.

Assessing the return performance on OIA's investments since its inception.

Legal Affairs Directorate

The Directorate has the following responsibilities:

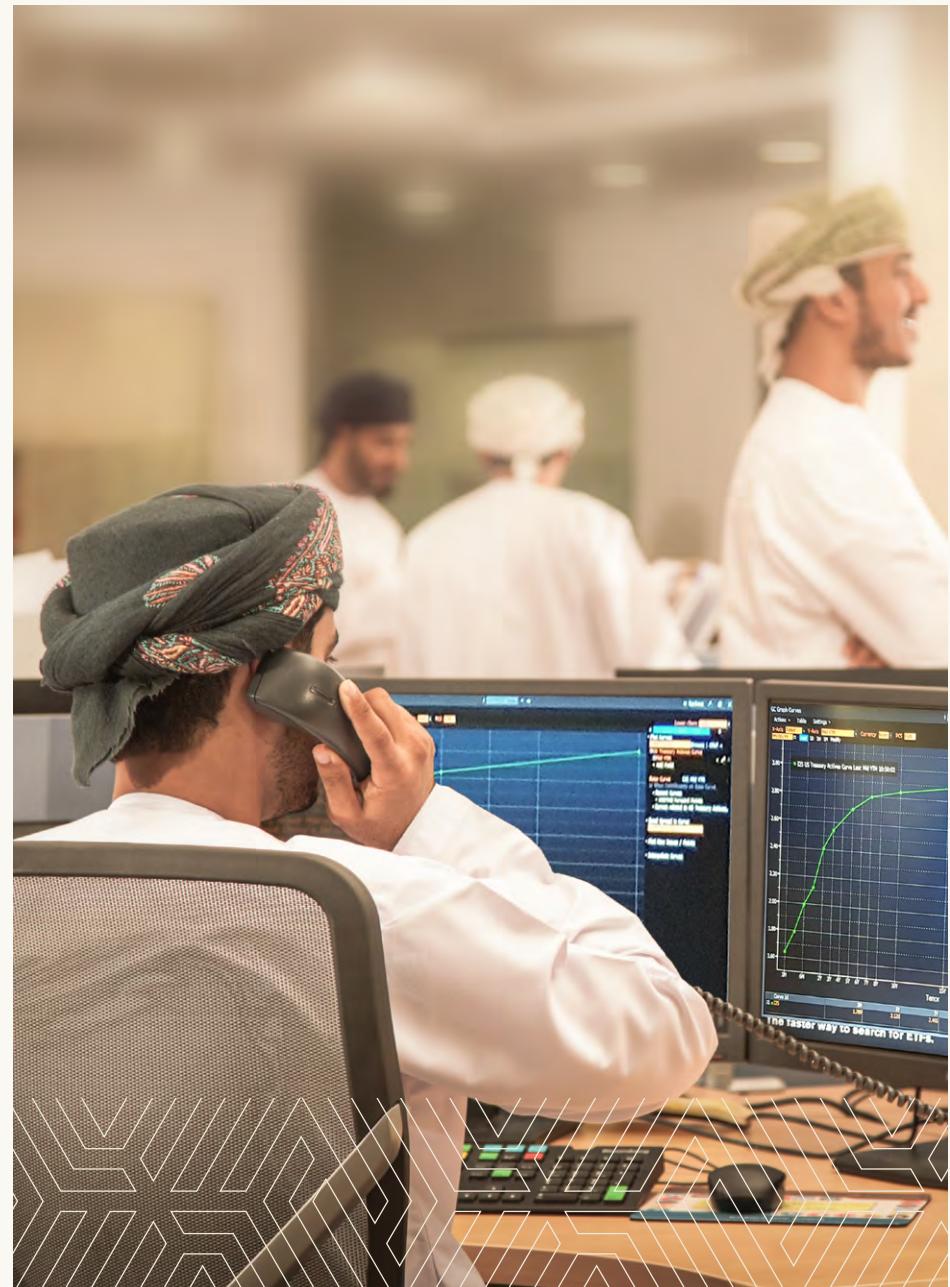
- Identifies and assesses all legal, regulatory, and tax issues pertaining to the OIA's investments, both existing and new, and its partnerships inside Oman and overseas
- Provides legal consultations and advice to OIA regarding the above subjects
- Follows up on any litigation or arbitration proceedings that OIA may be involved in

Key Achievements

Preparing legal guidelines for Rawabet Program, for the governance of OIA Companies.

Drafting and following up on the implementation of the provisions of Royal Decree No. 61/2020 establishing Oman Investment Authority, and drafting of OIA's law promulgated by Royal Decree No. 57/2021 and following up on its implementation.

Fulfilling the legal requirements for new and existing investments, particularly those relating to an investment in SpaceX and MycoTechnology, a U.S. company specializing in the production of alternative protein.



Information Management Directorate

The Directorate has the following responsibilities:

- Provides and develops information systems and services for all OIA departments
- Ensures smooth operation of all networks and platforms

Key Achievements

Investment Technology and Operations Management

- Consolidation of the financial and performance reporting systems of the former Oman Investment Fund (OIF), along with the complete migration of all SGRF investment, account management, and performance management data.
- Implementation and merging of all OIF and OIA data and accounts under one ecosystem.

Infrastructure and Operations Management

- Updating OIA's network infrastructure and security system with the installation of a hardware encryption system and a system for controlling access levels to OIA's internal network in case of incompatibility with applicable security policies, in addition to upgrading internet lines and connection with OIA's emergency center.
- Updating of the Wasel System to include all systems and services and improve the efficiency, security, and accessibility of the online work system.

Business Application Management

- Launch of the planning program for the annual budget.
- Updating the following systems:
 - Enterprise Resources Planning (ERP)
 - Files management (SharePoint)
 - Recruitment management

Information Security and Governance Management

- Passing the reverification audit of the ISO27001 Certificate.
- Issuing information security policies for all OIA Companies, as part of the Rawabet Project.
- Launch of the Extrahop system, a cybersecurity solution based on machine learning and analysis techniques used to identify suspicious data traffic patterns in networks, and discover and respond to cyber threats.

Human Resources Directorate

The Directorate performs the following roles:

- Builds organizational and individual capabilities
- Staff development
- Invests in OIA's human resources
- Supports personnel through professional and personal development programs
- Provides customized development program packages
- Develops exceptional leadership skills in OIA different departments and teams

Secondment

OIA is keen on keeping its department staff abreast of the latest developments and trends. To that end, it seconded a number of staff as part of its employee exchange program inside and outside the Sultanate of Oman.

Key Achievements

OIA staff grew to 271 employees, with an Omanization rate of 90%.

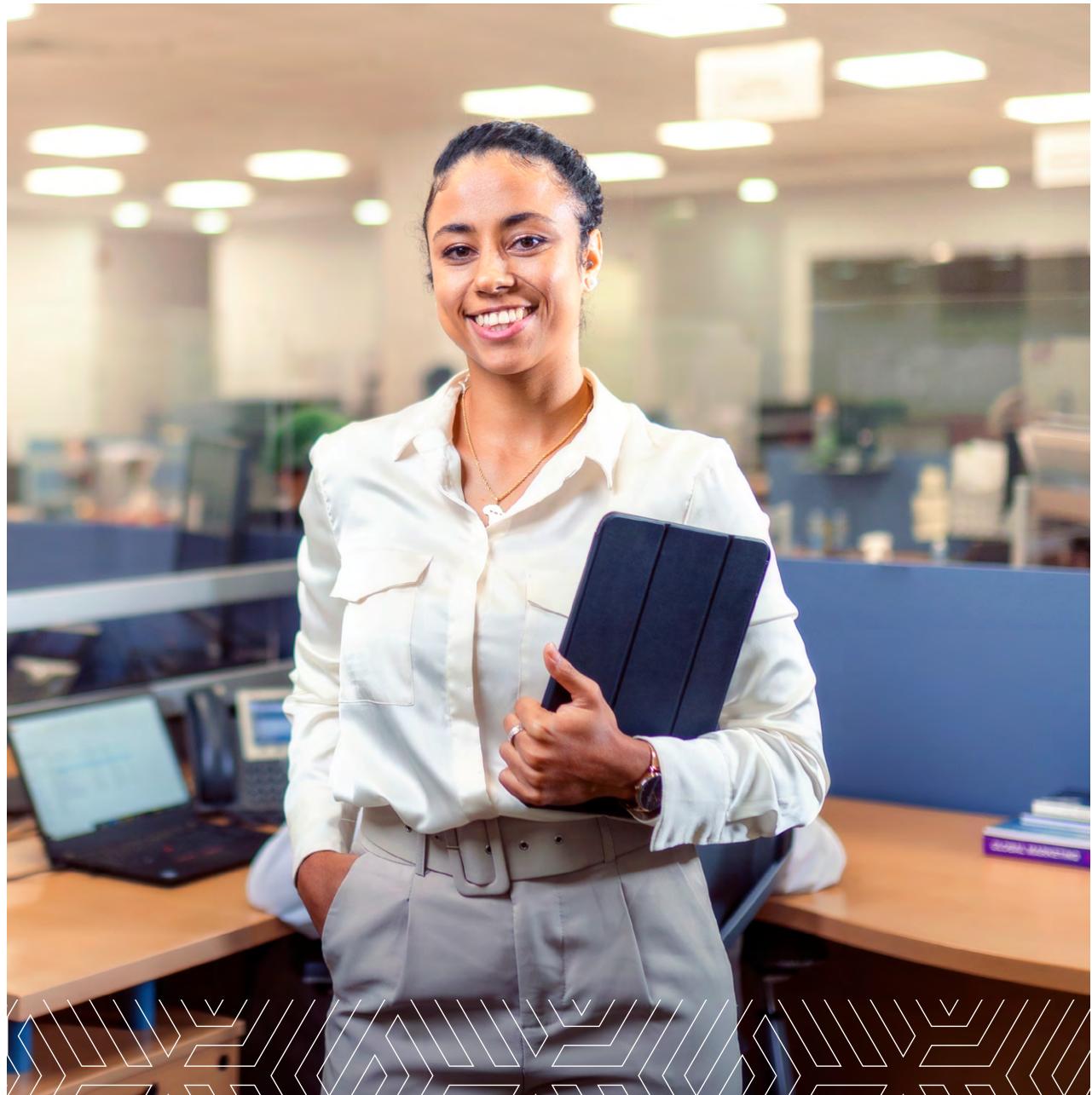
Implementation of 65 training programs attended by 500+ participants.

Admission of 28 trainees to the 'Numou' Program, with 13 of them appointed as permanent OIA employees.

Transfer of 66 trainees from OIA's 'E'dad' Program to permanent positions in the Ministry of Finance and the Tax Authority, and 70 new trainees admitted to the program.

Secondment of 50 employees to and from OIA.

Completion of Phase 1 of the Tarsheed Program, and completion of 60%+ of the second phase.



Administrative Affairs Directorate

The Directorate performs the following roles:

- Facilitates smooth operation of OIA
- Manages and implements procurement operations
- Provides a variety of services to different OIA departments
- Ensures the safety and security of OIA's premises
- Enhances the work environment
- Oversees all civil status procedures relating to non-Omani employees



Key Achievements

- Obtainment of ISO Certificate, after conducting an assessment based on ISO 9001:2015 (contract management, procurement operations, facility management, security services).
- Completion of the physical classification of OIA's files in accordance with NRAA's standards and policies.
- Complete implementation of the correspondence management system, and 85% completion of the document management system.
- Preparation and implementation of tendering and contracting procedures; including the terms and conditions of low-value procurement (maximum of OMR 50,000) and high-value procurement (over OMR 50,000).
- Commencement of implementation of government directives pertaining to awarding procurement operations with a maximum value of OMR 10,000 to SMEs whose owners hold 'Riyada' cards

Media and Communications Directorate

The Directorate performs the following roles:

- Manage OIA's identity and reputation, and monitor the reputation of its national and international investments
- Prepare OIA's official spokespersons
- Issue press releases and news reports
- Internal media communication at the level of OIA and its companies
- Communicate with various media outlets and respond to their inquiries
- Manage media messages at the level of OIA and its companies
- Organize events and conferences
- Monitor media and address relevant issues and events



Key Achievements

Restructuring the Directorate in line with OIA's new structure.

Developing the four guiding values of the OIA: Aspiration, excellence, integrity, and passion.

Launching OIA's account on Twitter.

Launching of the 'Thiqat' platform, which gives experienced individuals in the community the opportunity to apply for board membership in OIA Companies.

Establishing a network with media and communication officials in OIA Companies to discuss guidelines and policies pertaining to communication, media, and various work aspects.

Launching 'the Wealth of OIA' campaign highlighting Omani talent at OIA's.

Managing of the promotional campaign for OIA and its companies on CNN International and its various TV and digital channels around the world, achieving 2.3 billion views around the world.

Managing joint projects with OIA Companies, including the launch of MSX's identity, FDO's identity, the restructuring project of the water and wastewater sector, and other projects.



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