

ANNUAL REPORT 2022

بورصة مسقط
MUSCAT STOCK EXCHANGE



www.msx.om



**His Majesty
Sultan Haitham bin Tarik**
-May Allah protect Him-

بورصة مسقط

MUSCAT STOCK EXCHANGE



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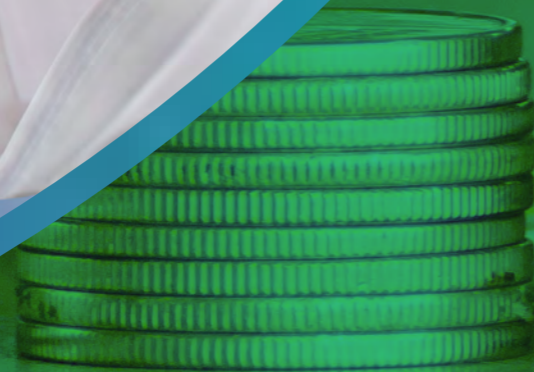
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MSX Key Statistics

	2021	2022	Variation %
MSX 30 Index	4129.54	4857.44	17.63%
Number of Traded Days	246	247	0.41%
Number of Trades	151,527	134,475	-11.25%
Number of Shares Traded-million	4,135	4,229	2.26%
Value of Shares Traded-Million Riyal	645	883	36.79%
Number of Traded Bonds-Million	74.45	54.20	-27.19%
Value of Traded Bonds-Million Riyal	173	58	-66.70%
Total Turnover-Million Riyal	818	940	14.92%
Turnover Daily Average Million Riyal	3.3	3.8	14.50%
Market Capitalization-Billion Riyal	22.09	23.74	7.45%
Foreign Participation %	24.67%	22.88%	-7.26%
Number of Listed Companies (SAOG)	108	107	-0.92%
Number of Real Estate Funds Listed	2	3	50%
Number of Brokerage Companies	10	10	---

1 Riyal = 2.6 United States Dollars



General Statistical Indicators of the affiliate (Muscat Clearing & Depository Company)

Total number of Shareholder
Accounts in stocks only

(139,545)

Number of New Shareholder
Accounts recorded in 2022

(4,875)

The ten most Securities-owning Nationalities (in terms of Market Capitalization):

The Nationality	Market Capitalization
Omani	21,125,396,821
UAE	658,187,051
Qatari	491,483,521
Netherlands	367,189,414
Guernsey	213,300,000
Bahraini	176,505,051
Singapore	138,220,372
Kuwait	135,787,400
Jordanian	116,699,404
Saudi Arabia	112,740,575

The ten most Nationalities Own Securities (in terms of number of shares):

The Nationality	Number of Shares
Omani	47,683,270,898
UAE	2,791,024,438
Qatari	2,156,037,108
Netherlands	1,523,594,474
Guernsey	886,380,159
Bahraini	839,530,458
Singapore	480,948,066
Kuwait	408,016,553
Jordanian	303,923,218
Saudi Arabia	210,425,290

Total number of
nationalities that
using trading

(50)

Number
of Traders

(5,603)

Board of Directors



Mohammed Bin Mahfoodh Al Ardhi
Chairman of the board



Imad Kamal Sultan
Vice Chairman



Abdullah Saleh Al Suweilmy
International Board Member



Dr. Hatim Bakhit Al Shanfri
Board Member



Samra Sulaiman Al Harthy
Board Member



Roland Schwinn
International Board Member



Mathla Saleh Al Shaqsi
Board Member

Muscat Stock Exchange

Royal Decree No. 5/2021 of January 6th of the 2021 Year transforming the Muscat Securities Market into the Muscat Stock Exchange was a detailed turning point in the securities sector and one of the most significant changes that will contribute to the promotion of economic diversification in the Sultanate of Oman. This shift enhances the market's investment development, its access to leadership in the sector at the regional and global levels, as well as attracting more domestic and global investment that will significantly affect trading traffic and increase exchange liquidity rates. And because financial markets are one of the most important drivers of economic growth in any country, the Muscat Stock Exchange - owned by the Oman Investment Authority - seeks to become a world leader exchange by providing a highly efficient investment environment consistent with the directions of the national economy and the Oman Vision 2040 to contribute to the task of being one of the dependent arms in the economic diversification file. The exchange operates through an ambitious strategy to strengthen its position among global financial markets, they are summarized in six themes: the development of the national economy, the attractiveness of the exchange, the ease of access to it, the focus on fintech, the development of infrastructure, the emphasis on the commercial basis under which the exchange must operate, as well as job satisfaction and the improvement of the working environment.

Muscat Stock Exchange also holds some 79.88% capital of Muscat Clearing & Depository (SAOC). It is the central entity that performs the functions of clearing, settling and depositing securities traded on the Muscat Stock Exchange. The company performs shareholder records and custody services for companies and investment funds.

Muscat Stock Exchange is currently seeking to transform the Sultanate's securities market into a sophisticated and flexible market that is competitive regionally and internationally and operating in accordance with the best international standards. The Muscat Stock Exchange was founded in 1988 and was then known as the Muscat Securities Market as an entity to regulate the stock market in the Sultanate of Oman.





Stock Exchange Goals



The Muscat Stock Exchange is a closed Omani company with legal personality owned by the Oman Investment Authority, which works to develop investment awareness, protect investors and encourage savings, investment in securities and financial instruments for the mutual benefit of the national economy and investors. It also works to create avenues for the use of funds in securities and financial instruments to benefit jointly the national economy and investors.

In order to achieve this goal, the Stock Exchange does the following:

- Developing methods and procedures for dealing in securities to ensure the integrity of transactions and the protection of dealers.
- Raising investment awareness among all members of society, including individuals and companies, in order to promote economic development.
- Creating a professional work environment and instilling the rules of professional conduct within the mind of dealers operating in the field of securities.
- Staying up-to-date with the latest developments occurring within financial markets in order to implement technologies that provide a high level of performance.
- Deepening the stock market by encouraging the listing of new companies and diversifying investment tools.

Key Achievements

1 Operations Policies & Procedures

Launching the auction pricing mechanism for securities at the end of the trading session in line with the latest practices in global markets, in addition to launching 3 sectoral total return indicators (service sector, industrial sector, financial sector).

1

2 Activate Initial Subscriptions

Working with the Oman Investment Authority to include a number of government companies in the Agency's plan to exit some government investments, which includes exit some 30 companies representing different sectors of the national economy over the next five years, thereby enhancing trading volumes and deepening the stock exchange.

2

3 Integration of Oversight Services

Integration of internal audit, risk and compliance departments between the stock exchange and its subsidiary.

3

4 International Cooperation

Signing memorandums of understanding with a number of regional markets: Saudi Stock Exchange (Tadawul), Abu Dhabi Securities Exchange, Bahrain bourse and Iraq Stock Exchange to develop and exchange relations and enhance prospects for cooperation in various fields.

4

5 Promotion of listed Companies on the Stock Exchange

Organizing the first promotional conference for listed companies at Muscat Stock Exchange in Muscat in the presence of major local and global investors and portfolio and asset managers. Working visits were also organized for a range of global markets including the London Stock Exchange and Oslo to activate the presence of the exchange globally.

5

6 Small & Medium-sized Enterprises

Preparing a field study of the realities of small and medium enterprises, and the feasibility of establishing a platform for their listing on the stock exchange. In this light, a memorandum of cooperation was signed between the Exchange and the Small and Medium Enterprises Development Authority (RAYDA) to create a structured financial market for small and medium enterprises.

6

7 Cross Listing

Signing a “Cross listing» agreement with the Saudi Stock Exchange (Tadawul) and Abu Dhabi Securities Exchange. The grounding of the technical environment has been completed to allow the cross listing service with Tadawul.

7

8 Active Brokers

Establishment of the Department of Membership and Inspection for Licensing and Monitoring the Business of Brokerage Companies. The platform (MSX+) was also launched to provide training and qualification programs for securities workers in addition to holding a meeting with licensed brokerage companies in order to open channels to communicate and participate in the presentation of common aspirations and visions.

8

9 Tripartite Governance & Investor Relations

The establishment of the Sustainable Investment Department, which means the application of the best standards in the areas of tripartite governance (ESG) and investor relations. In order to develop and encourage companies to enhance the role of investor relations officials, the stock exchange signed a memorandum of understanding with the Middle East Investor Relations Association (MEIRA), which is the Investor Relations Association in the Middle East.

9

10 Enhancing Market & Market Capitalization

Preparation of an analytical study by the Financial Consulting Company (AL Ramz) of the reality of the stock exchange performance and the challenges it faces. The exchange will use the company's recommendations to develop its business within the framework of its strategic plan, the most prominent of which is the creation of a market manufacturer and a liquidity provider.

10

11 Exchange Platform

Join an exchange platform with Abu Dhabi Securities Exchange and Bahrain bourse in order to create integration between the region's markets and allow local investors to invest in Abu Dhabi and Bahrain markets through local licensed brokers and vice versa.

11

Affiliate's Achievements:

1

Launch the application service (mortgage/removal of mortgage) and collect fees for providing the service electronically through the electronic payment feature.

2

Adoption of the regulation of clearing and settlement, which included the addition of custodians as clearing members and the introduction of the molecular settlement feature to be available to trading and clearing members and the compulsory procurement feature was introduced to cover outstanding transactions in the settlement, In addition to the amendment of the name of the settlements guarantee fund to the settlements management fund, a basis has been laid for the use of members contributions to the fund when any member is unable to settle.

3

Develop the company's website to facilitate access to reports and statistics quickly and accurately.

4

Activation of the company's open account with Euroclair, which facilitates the process of trading on various financial instruments listed in the global markets at the current stage, for companies wishing to benefit from this service by opening sub-accounts from the company's main account with Euroclair This in turn increases the creation of alternative opportunities for local and external exporters and investors sought by financial institutions in the Sultanate in line with the Oman Vision 2040.

5

Development of the platform for the management of public associations of joint stock companies and funds listed on the stock exchange as well as closed companies through the development of the system of disclosure of decisions of the association which is broadcast directly on the website of the exchange through the secretaries of public associations, The certification feature of the minutes was introduced by the Capital Market Authority electronically through the platform, as well as the electronic transfer of dividend contracts as this will contribute to the collection of the company's services fees in advance.

6

Development of the second phase of the E-IPO program, which involves the provision of new electronic features such as order building (Book Building), development of IPO mechanisms and other characteristics that will provide new connectivity channels with licensed underwriting banks and issuers to facilitate the completion of IPO mechanisms and preference rights, this will constitute additional income for the company's operations.

7

To modernize infrastructure works to enable all customers with the company to use available electronic channels, facilitate customers and shareholders to obtain data and follow up on their investments, as well as update shareholder data through the use of electronic channels and smartphone applications and benefit from services provided by (Sanad) offices spread across the governorates and regions of the Sultanate.

Content

19

Chief Executive
Officer Message

23

Chairman's
Message

29

Company Organization
& Management Report

37

ESG and D&I
Strategy in Practice

41

The Global Economy

45

Global Stock Market
Performance

49

Major Global Financial
Indices of 2022

53

Arab Stock Market
Performance

57

Key Arab Financial
Market Indices 2022

61

Omani Economy
Performance

67

Muscat Stock Exchange
Performance 2022 67

81

Auditor's Report

85

Consolidated
Financial Position

86

Consolidated
Statement of
Profit & Loss

87

Consolidated
Statement of
Changes in Equity

89

Consolidated
Statement of
Cash Flow

120

Notes



Chief Executive Officer Message



Chief Executive Officer Message

The year 2022 was special and exceptional. The Muscat Stock Exchange achieved remarkable achievements after registering the second best performance among Gulf exchanges. The market value of the listed securities rose by 7.45%. These figures reflect our commitment to moving forward with our ambitious strategy. Despite all the challenges facing the world's economy due to the coronavirus pandemic and geopolitical conditions, the exchange has been able to operate efficiently and effectively, as confirmed by the figures and data published in this report.

This positive performance would not have been possible without the combination of internal and external efforts and the improvement in Oman's macroeconomic performance due to higher oil prices, In addition to the Sultanate's commitment to repay the previous debt, which contributed to the upgrading of its credit rating as disclosed by the world ratings agencies and thus reflected positively on the performance of the exchange and the level of performance of listed companies has a major role in the improvement of performance indicators, The profits of most listed companies, especially financial sector companies, have risen, reflecting positively on the stock exchange's performance over the past year.

The year 2022 saw a number of steps that effectively contributed to the achievement of the Exchange's strategy and objectives, including opening the boundaries of the ownership cap for foreign investors in public

shareholding companies, which is a strategic decision that paves the way for the Exchange to pass the criteria for evaluating global institutions about the ease of investment and opening up to the foreign investor, in addition to organizing the first promotional conference for listed companies, signing a cooperation agreement with Abu Dhabi Securities Exchange and Bahrain bourse to join "Tadawul Platform" in addition to signing an agreement with "Tadawul Saudi Arabia" to enable companies to cross listing in the Omani financial market and its Saudi counterpart.

Finally, I commend all employees of the Muscat Stock Exchange management and employees for their great efforts and hard work in achieving the Exchange's strategy and objectives that will lead us to achieve our ambitions to be on the global investment map in the near future.

Haitham Salim Al Salmi
CEO



Chairman's Message



Chairman's Message

Honorable members of the association,

The year 2021 marked the beginning of a new historic era for the capital market sector in the Sultanate of Oman, namely the transformation of the Muscat Stock Exchange from a government institution under the State Capital Market Authority to the Muscat Stock Exchange Company (SAOC). Owned by the Oman Investment Authority to engage in its activity and operate in a commercial manner, marking the beginning of a new era that will lead at the end of it to the full transition of the Exchange's activity to the private sector.

Since its establishment under Royal Decree No. 53/1988, Muscat Stock Exchange has been involved in providing the infrastructure for securities trading and providing listing and trading services and indicators in line with international requirements and standards in trading operations. Since the assumption of His Majesty Sultan Haytham bin Tariq -- God preserved and shepherded -- the Sultanate's strategy has clearly emerged through the Oman Vision 2040. The most important aspect of the vision is the integration of all sectors to create and enhance the competitive business environment and make it attractive. It is also the plans and aspirations to develop the securities sector and strengthen its role in the Sultanate's economic development and provide a diverse investment climate for local and global investors.

Therefore, Royal Decree 5/2021 was issued on January 6, 2021, transferring the exchange to a closed joint stock company. Under this decree, the stock exchange is in an important transition and we are working ably to complete its busy journey. And to have its place on the regional and global investment map so that the securities sector of the Sultanate plays its desired role as one of the main funding stations for enterprises and an effective part of the Omani economy and that this can be done only with the cooperation of all institutions and individuals in this vital sector.

One of our priorities in forming the new Board of Directors for the Exchange was to prepare a strategy for the next five years aimed at building a regional financial market with global standards capable of accomplishing its tasks to serve the development goals of the national economy. Therefore, our main focus has been to make a qualitative shift in the performance of the exchange in line with the latest developments in the financial market industry and in order to serve the development goals of the national economy.

The Muscat Stock Exchange has developed a clearly defined road map within the framework of the strategy designed to lead to many achievements and transformations that will have a very positive impact on the stock exchange's future performance and accomplish its ambitions to raise its global valuation, which we hope will soon take place. From this point of view, we have identified the Exchange's message: "To provide an efficient investment environment, operating in accordance with the best standards and practices with the prospects of diverse opportunities integrated with the trends of the national economy."

One of the most important steps focused on by the Board of Directors after the appointment of a Chief Executive Officer of the Stock Exchange who trusts his capabilities and possibilities in achieving the aspirations of the transition

phase of the Exchange to a closed joint stock company and hence for a public shareholding company over the next five years, followed by a step to develop an integrated five-year strategy emerging market according to the FTSE Russell and to supplement requirements for promotion to an emerging market during this year, God forbid. The second year of conversion to the stock exchange was a promising one. It recorded many achievements, which represented the index's growth of 17.6% compared to 12.87% in its first year, and its trading volumes grew by 15%.

The financial statements for 2021 were considered the benchmark year for the stock exchange, with operating income for the fiscal year ended December 31, 2021 amounting to (2) million and (659) thousand OMR, plus a profit resulting from the consolidation of activities. (Convert Muscat Market to a closed joint stock company) amounting to (2) million and (194) thousand OMR. A Total expenditures amounted to approximately (2) million and (271) thousand OMR, resulting in net profits exceeding (2) million and (581) thousand OMR a yield per share (0.172) OMR. Operating income for the fiscal year ended December 31, 2022 amounted to (4) million and (114) thousand OMR, and total payment amounted to approximately (3) million and (51) thousand OMR, resulting in net profits exceeding (1) million and (63) thousand OMR, resulting in a per share return of (0.064) OMR.

Summary of financial statements

Statement	Year 2022 (RO)
Capital	15,000,000
Total operating income	4,114,183
Total operating expenses	3,051,073
Operating Profit	1,063,110
Pre-tax profit	1,063,110
Earnings per share	0.064

Note: The financial statements are for the period from 1 January 2022 to 31 December 2022.



Year 2022 Achievements

In 2022, the Stock Exchange witnessed successive events and achievements both domestically and internationally, achieving its objectives and strategic plans that were carefully developed to achieve the Stock Exchange's vision. Achievements and initiatives that have been achieved exceed what has been developed for 2022, to include some plans for 2023 as well as preparation for projects planned for 2024. The main ones were:

1. Joining the "Tabadul" platform launched by the Abu Dhabi Securities Exchange, which links the Muscat Stock Exchange to the Abu Dhabi Securities Exchange and the Bahrain Stock Exchange (BOURSE) to find integration between the markets of the region and allow investors in these markets to invest in the markets joining the platform through local intermediaries in the markets joining the platform.
2. Linking with Euroclair, which makes Muscat Clearing & Depository a local and international custodian for the clearing and settlement process attracts foreign investment to trade on Muscat Stock Exchange.
3. Elimination of foreign investors' ownership limits on stocks listed on the Muscat Stock Exchange, resulting in increased investment available to foreigners.
4. Signing an agreement with Al-Ramaz Investment Services in collaboration with Ubhar Capital to prepare a development plan for the securities sector.
5. Launch of the auction system securities pricing mechanism at the end of the trading session in line with the latest practices in global markets.
6. Launch of 3 Sector Total Return Indicators (Services Sector, Industrial Sector, Financial Sector).
7. Integration with the affiliate, where the internal control departments represented in the risk, compliance and internal audit departments were merged, thus providing service at the group level.
8. The establishment of the Sustainable Investment Division, which integrates the regulation of investor relations with the tripartite governance of listed companies, and through it joining the Gulf Financial Markets Joint Committee to prepare a unified guide to tripartite governance standards which was launched in January 2023.
9. Signing a memorandum of cooperation with the Authority for Small and Medium Enterprises (RAYDA) to urge SMEs to list on the stock exchange and provide financial and regulatory alternatives to these enterprises. and initiate work on the development of a SME market platform.
10. Signing memorandums of understanding with several markets, including Saudi Stock Exchange (Tadawul), Abu Dhabi Securities Exchange, Bahrain Stock Exchange (bourse) and Iraq Stock Exchange.
11. Signing a double listing agreement with Tadawul Saudi Arabia and the Abu Dhabi Securities Exchange, and equipping the necessary technical environment to enable the dual listing process.
12. Joining the United Nations Financial Markets Sustainability Initiative, under which memorandums of cooperation have been signed with a number of government agencies (Ministry of Commerce, Industry and Investment Promotion, Ministry of Social Development and Environment Authority) to complement the system for achieving market sustainability and tripartite governance initiatives.
13. Signing a memorandum of cooperation with the Middle East Investor Relations Organization (MEIRA).
14. Implement marketing campaigns on the stock exchange in coordination with the Oman Investment Authority locally and internationally through the first Muscat Stock Exchange promotional conference in Muscat and through direct meetings in Dubai and London with global asset managers to familiarize them with the stock exchange plans and strategies and government exit plans.

Future Projects

1. The Exchange's five-year strategy (2021-2026) is based on six main axes:
 1. Commercial performance.
 2. Enhance liquidity and market value.
 3. Disclosure and legislation.
 4. Products and technology.
 5. Media and marketing.
 6. Wealth of the stock exchange. These axes integrate their objectives to raise the classification of the stock exchange from a border market to an emerging market by:
 - a) Attract foreign capital, increase market depth.
 - b) Create a broad and diverse base of investment products and keep abreast of technical developments in the world of financial markets.
 - c) Highlighting the exchange as an attractive investment destination by publicizing its achievements and opportunities and attracting liquidity by spreading investment awareness in the community.
 - d) Developing the system of disclosure and transparency, and developing the legislative environment of the exchange through continuous review and updating of applicable laws to conform to global best practices.
2. The Exchange looks forward to achieving a range of projects within its short and medium term time plan, the most important of which are:
 - a) Completing the requirements for promotion to an emerging market according to the requirements of global indicators and entering the watch list for these indicators.
 - b) The launching of a SME Exchange, where the rules and legislative and organizational foundations are now developed in cooperation with the General Authority for the Capital Market, the Small and Medium Enterprises Authority and Muscat Clearing and Depository Company.
 - c) Approving the rules and controls governing the market manufacturer and liquidity provider and putting them into practice.
 - d) Upgrade existing disclosure systems and broadcast triple governance disclosures via the exchange portal.
 - e) Adoption of rules and controls governing the securities lending and borrowing process.
 - f) Work to improve sectoral representation on the stock exchange.
3. The Exchange continues to coordinate with government specialized authorities to offer securities that are exiting or exporting, which promote investment alternatives, inflate market capital and raise liquidity levels in listed securities.

Conclusion

On my own behalf and on behalf of the respected members of the Council, we extend our thanks and appreciation to all the institutions and supporting entities of the company, notably the General Authority for the Capital Market, the Oman Investment Authority, Muscat Clearing and Depository Company, all listed companies, financial brokerages and the Oman Securities Association. We also appreciate the great role played by the company, led by the executive management as well as the employees of the stock exchange in the outstanding work in 2022, which has witnessed many challenges.

In conclusion, the Council expresses its highest and most sincere thanks and gratitude to His Majesty Sultan Haitham bin Tariq, may God protect and preserve him, praying to the Almighty in his ability to bestow upon His Majesty good health and wellness and a blessed long life, and to crown his efforts for the good of our country and the completion of the blessed renaissance march that he sponsored. And it was founded by His Majesty Sultan Qaboos bin Said bin Taimur - may God bless his soul.

May the peace, blessings, and mercy of God be upon you.

Mohammed bin Mahfoudh al-Ardhi
Board Chairman



Company Organization & Management Report

Company Organization and Management Report for the financial year ended 31-12 2022.

Muscat Stock Exchange Company (SAOC). is a closed Omani joint stock company, established by Royal Decree No. 5/2021 in accordance with the provisions of the Commercial Companies Act promulgated by Royal Decree No. 18/2019 and the provisions of the Capital Market Act promulgated by Royal Decree No. 80/1998 and its amendments, and the Executive Regulation of the General Authority for the Capital Market issued Ministerial Decree No. (1/2009) and the provisions of the Allocation Act promulgated by Royal Decree No. 51/2019. The share of government ownership is 100% of the company's capital represented by the Oman Investment Authority. The company is concerned with establishing a market that brings together buyers and securities sellers by: listing securities, facilitating the purchase, sale and trading of securities, regulating and controlling them, maintaining the stability and flexibility of the stock market in the interests of investors and the Omani economy and establishing high professional standards for members, exchange participants, investors and between the financial and monetary markets.

Board of Directors

In Article XVII, the Company's Statute clarifies the composition and election of the members of the Board of Directors and the committees deriving from it. The Board of Directors is currently composed of seven members, five of them independent, all non-executive, including one member representing the legal entity, the Oman Investment Authority. There are also three board committees: The Executive Committee, the Audit and Risk Committee and the Nominations and Remuneration Committee.

The members of the board were appointed by the Oman Investment Authority at the session of the First Exchange Board, to be elected in accordance with the provisions of the Commercial Companies Act No. (18/2019) starting from the next session.

It is worth mentioning that the current session of the board - the first after the transformation of its legal format - began in 2021 and ends in 2024.

Name	Position
Mohamed bin Mahfoodh bin Saad Al-Ardhi	Independent Member
Imad bin Kamal bin Abdul Redha Sultan	Independent Member
Dr. Hatim bin Bakhit bin Said Al-Shanfari	Independent Member
Samra bint Sulieman bin Khalfan Al-Harthy	Non-Independent Member
Mathla bint Saleh bin Mohamed Al-Shaqsi	Member Representing Omani Investment Authority
Abdullah Saleh Mohammed Al-Suweilmy	Independent Member - Saudi Arabia
Roland Schwinn.	Independent Member-Germany

Board Members

The members of the Board of Directors shall be elected at the meeting of the Company's Regular General Assembly every three years in accordance with article 181 of the Commercial Companies Act.

The following details the attendance of the members of the Governing Council at the meetings of the Council held during the financial year ending 31 December 2022, and the total allowances for each member's meetings for the period, bearing in mind the directives of the organ that the allowance for attendance at meetings of the Council and the committees emanating from the Council shall not exceed the amount (5,000) of OMR 5,000 per member during the year. As follows:

Member Name	Position	Number of Attended Meetings	Total Allowance
Mohamed bin Mahfoodh bin Saad Al-Ardhi	Chairman of the Board	5	2500
Imad bin Kamal bin Abdul Redha Sultan	Vice-Chairman of the Board	5	2500
Dr. Hatim bin Bakhit bin Said Al-Shanfari	Member	6	3000
Samra bint Sulieman bin Khalfan Al-Harthy	Member	6	3000
Mathla bint Saleh bin Mohamed Al-Shaqsi	Member	6	3000
Abdullah Saleh Mohammed Al-Suweilmy	Member	6	3000
Roland Schwinn	Member	5	2500

Board Committees

The Executive Committee

The duties and responsibilities of the Executive Committee are as follows:

- Assisting the board in the development of the company's strategies.
- Following up and supporting the top management in the implementation of the strategy and action plans.
- Effectively monitoring the operational and financial performance of the business against its goals, objectives and KPIS.

- Identifying problematic issues, responding to early warnings of deviations from the work plan and/or budget, reviewing the adequacy and efficiency of the interventions utilized and monitoring the effectiveness of remedial actions.
- Developing and implementing the procedures and governance framework of the business prior to the Board's approval.
- Reviewing budgets for Board's final approval.
- Examining all commercial investments, divestitures, and major capital expenditure proposals, and presenting relevant recommendations to the Board of Directors with regards to those of them which are substantive in nature or cost.

The following represents the attendance record of each of the members of the Executive Committee for the meetings held during the financial year that ended on 31/12/2022 AD, and total allowances received for attending.

Member Name	Position	Number of Attended Meetings	Total Allowance
Mohamed bin Mahfoodh bin Saad Al-Ardhi	Committee Chairman	2	1000
Imad bin Kamal bin Abdul Redha Sultan	Member	1	400
Samra bint Sulieman bin Khalfan Al-Harthi	Member	2	800
Abdullah Saleh Mohammed Al-Suweilmy	Member	2	800
Roland Schwinn	Member	2	800

Audit & Risk Management Committee

The duties and responsibilities of the committee are as follows:

- Supervising the company's internal audit, reviewing the internal control system, submitting a written report to the Board of Directors featuring its recommendations on an annual basis, and following up on the corrective measures that were implemented to address the remarks mentioned therein.
- Verifying the suitability and adequacy of the company's internal control systems, whether by relying on the periodic internal auditing reports of internal and external auditors, or by referring to specialized consultancy parties
- Recommendation to appoint external auditors, terminate their contracts and set their fees, and when recommending appointment, ensure their independence
- Reviewing the audit plan of the external auditors and the results of the auditing process, and ensuring that auditors are given full access to all the documents they require to carry out their duties.
- Ensuring that adequate procedures are set in place to prevent or detect cases of fraud or financial fraud, and to enforce compliance with accounting principles laid out by the International Financial Report Standards (IFRS) which show the true financial position of the company.
- Examining the accounting policies approved by the company and sharing relevant opinions and recommendations regarding this matter with the Board of Director.
- Reviewing the company's financial statements if they have not been reviewed by the company's external auditor prior to their issuance, examining the external auditors' objections or remarks with regard to the drafted financial statements, if any, and ensuring compliance with the disclosure requirements stipulated under these principles.
- Acting as a communication channel between the company's Board of Directors, the external auditors and the internal auditor

- Reviewing the contracts and transactions that the company is to carry out with relevant parties, and submitting suitable recommendations to the Board of Directors in this regard
- Developing a risk management plan, having it approved by the Board of Directors, and following up on its implementation, provided that the plan accounts for the main risks that the company may be exposed to, the likelihood of their occurrence, the mechanisms adopted for identifying, measuring and following up on these risks. The committee must also work on periodically detecting risks (especially new ones) and finding ways to reduce their impact if avoiding them is not possible.
- Periodically reviewing the company's risk management policies, bearing in mind the company's business activities, any changes that may occur in the market, and the company's plans for investment and expansion.
- Submitting analytical reports on the company's risk management framework and status, either periodically or as otherwise directed by the Board.

The following represents the attendance record of each of the members of the Audit and Risk Committee for the meetings held during the financial year that ended on 31/12/2022 AD, and total allowances received for attending:

Member Name	Position	Number of Attended Meetings	Total Allowance
Hatim bin Bakhit bin Said Al-Shanfari	Committee Chairman	4	2000
Mathla bint Saleh bin Mohamed Al-Shaqsi	Member	4	1600
Roland Schwinn	Member	3	1200

The Nomination & Remuneration Committee

The duties and responsibilities of the committee are as follows:

- Providing recommendation to the General Assembly regarding the nomination of qualified members to the Board of Directors who possess the required skills and experience.
- Assisting the Board of Directors in selecting the appropriate and necessary competencies for key management personnel.
- Provide a succession plan of the Board of Directors, or at the very least of the Chairman of the Board of Directors, as well as the succession plan of key management personnel, for the approval of the Board.
- Preparing a job description for the role and responsibilities of a Member of the Board of Directors, including its chairman, in a way that makes it easier for them to carry out their duties and responsibilities, and facilitates the process of evaluating their performance.
- Nominating qualified individuals for the membership of the Board of Directors when the position of one of them becomes vacant and nominating qualified individuals to occupy executive positions within the company.
- Preparing the policy related to granting bonuses, allowances and incentives to key management personnel and reviewing said policy periodically, taking into consideration market conditions and the company's overall performance.

The following represents the attendance record of each of the members of the Nominations and Remunerations Committee for the meetings held during the financial year that ended on 31/12/2022 AD, and total allowances received for attending:

Member Name	Position	Number of Attended Meetings	Total Allowance
Imad bin Kamal bin Abdul Redha Sultan	Committee Chairman	2	1000
Samra bint Sulieman bin Khalfan Al-Harthy	Member	2	800
Abdullah Saleh Mohammed Al-Suweilmy	Member	2	800

Total bonuses, fees and benefits paid to the Board of Directors

The bonuses of board members shall be determined and approved at the Annual General Assembly Meeting

Total bonuses paid to Senior Management Staff

The bonuses of senior management staff are determined and approved by the Nominations and Remuneration Committee and subsequently by the Board of Directors after the adoption of the financial statements and the financial position of the Exchange in the General Assembly.

The total salary, benefits, allowances and increases for the top five executives amount to OMR 142,394 as a total amount.

Fixed bonus details and performance-related incentives

The Muscat Stock Exchange adopts a system of bonuses and incentives associated with performance and measures performance standards for employees. This is done by recommending the Executive Chairman of the Nominations and Remuneration Committee, which in turn considers the recommendation and submits it to the Board of Directors for final accreditation, after the adoption of the financial statements and the financial position of the exchange at the General Assembly.

Training programs and workshops for the Board of Directors

One training program was implemented for the Exchange's Board of Directors in 2022:

The training program	Dates to be held	Training venue	Cost
Corporate Governance	28/10/2022	W Hotel, Muscat	4,170 OMR

Disclosure Statement

During the financial year ending 31/12/2022, the company did not face any legal infractions imposed by the Omani laws or any financial fines imposed on the company by any regulatory authority

Methods of communication with the company's shareholder

- The unaudited quarterly financial results are distributed to the shareholders of the company and the Capital Market Authority.
- The audited annual financial statements are sent along with Board of Directors report, and the details of any related-party transactions.

- General Assembly meeting invitations are sent to the shareholders after they are approved by the Ministry of Commerce, Industry and Investment Promotion, and announced through the electronic system and one of the local newspapers. The invitation and the agenda are also published through the AGM electronic platform prepared by the Muscat Clearing and Depository Company (SAOC) in accordance with the provisions of Article (54) of the Commercial Companies Regulations No. 146/2021.
- The Board of Directors' report published as part of the annual report contains management's discussions and analysis of the company's annual performance.

Social Responsibility Activities

Referring to the decision of the Annual General Assembly of the Company for 2021, which held on 30/03/2022 and approving an amount of (10,000) ten thousand Omani riyals for the company's donations for the fiscal year ending on 31/12/2022. The amount was disbursed as follows:

Beneficiary Party	Amount of donation (OMR)
Oman Charitable Organization	2,000
Dar Al Atta Association	2,000
ALRAHMA ASSOCIATIO for Motherhood & Child Welfare	1,500
Omani Bahjah Orphans Society	1,500
The Noor Association for the Blind	1,500
Omani Association for disabled	1,500
Total	10,000

About the External Auditors' Professional Background

The BDO Oman Audit Office has been appointed to audit the company's accounts for 2022 year, it is one of the licensed offices in the Sultanate providing various auditing and consulting services.

Legal Advisor

Rajab Al Kathiri & Associates & Legal Consultants, which is one of the largest legal consultancy offices in the Sultanate, and is well experienced in dealing with the laws regulating commercial companies.



ESG and D&I Strategy in Practice



ESG and D&I Strategy in Practice

In an effort to contribute to the realization of the “Oman Vision 2040” and to reach the internationally approved classifications according to UN SDG’s (Sustainable Development Goals), the Exchange has upgraded the ESG mandate to “Sustainable Investments” section which includes ESG, D&I (Diversity, & Inclusion, IR (Investor Relations) and CSR (Corporate Social Responsibility) as a part of MSX’s 3-way governance policy in line with evolving global market trends. The exchange has also officially joined the UN SSE (Sustainable Stock Exchange) Initiative related to advanced corporate practices in support of responsible investment and sustainable exchange development, while building capacity in E-nvironment, S-ocial & G-overnance functions.

MSX SI Section in cooperation with GCC Stock Exchanges ESG Taskforce conducted a market wide study to identify the prevalent ESG disclosure practices around the world, and issued a unified 29 set standard ESG Disclosure guidance compatible with the UN SDG’s and tailored to the regional capital markets, in line with transparency & timely/regular disclosure needs of all stakeholders involved in the performance, growth and sustainability of these markets.

The section is currently working on deploying this unified regional guidance in the form of online ESG Disclosures for its local issuers to encourage them towards voluntary ESG best practices and set a standard for clarity in disclosures while making MSX listed companies a viable investment candidate for ESG compliant investors, therefore tapping into sustainable investment opportunity zones.

As a part of the internal sustainability drive MSX Sustainable Investments team led various projects in line with ESG Goals, such as;

- The team initiated “Ambassadors for Change» initiative to reduce the use of plastic water bottles by providing all employees with recyclable alternatives and encouraging re-use instead of use and throw disposable pollutants.
- Encouraging Energy Saving by replacing all lights with energy-saving LEDs.
- Started a Going Green initiative using eco-friendly organic fertilizer on the green patch of the stock exchange.
- Celebrated «Ring the Bell for Gender Equality» event in cooperation with five international organizations, headed by WFE.
- Continued to commemorate the Global Earth our initiative, by turning off all lights and electric appliances at the exchange for an hour.
- Under its D&I (Diversity and Inclusion) gender equality and diversity initiative MSX SI team contributed in eliminating gender identification in vacancy advertisements and adopted an efficiency-based recruitment policy rather than a gender role definition policy, which in turn led to a significant increase in the number of women at exchange by 30.4% and under the same initiative 54% of senior positions at the exchange are currently held by woman with equal opportunities to play a pivotal role in the decision-making process of the stock exchange.



CSR (Corporate Social Responsibility) Initiatives

Each year, the Exchange gives back to its local community through numerous training programs and awareness-raising initiatives in addition to its participation in charitable initiatives.

MSX allocated 10,000 OMR for CSR and divided it among:

- **Oman Charitable Organization**
- **Dar Al Atta Association**
- **ALRAHMA ASSOCIATIO For Motherhood & Child Welfare**
- **Omani Bahjah Orphans Society**
- **The Noor Association for the Blind**
- **And the Omani Association for Disabled**

The exchange also encourages listed companies to exercise their social role more responsibly by participating in community development initiatives, therefore, the section launched a special page dedicated to Sustainable Investments within MSX Portal to raise awareness on the importance of sustainability and all its aspects and compliant functions ESG, IR & CSR. The team will also soon launch the ESG Disclosure compliance form on the same page to create MSX Issuers ESG Disclosure Compliant and boost their sustainability rating during investment studies and increase their green investment viability, while spontaneously encouraging the dissemination of timely transparent information to all shareholders non-exclusively.



The Global Economy

The Global Economy

A group of phenomena and events prevailed in the global economy that negatively affected its performance, the most prominent of which are:

- Inflation in the global economy rose by 8.8% during the year, the highest in 40 years, and central banks resorted to stringent monetary policy by raising interest rates to record levels they had left for two decades. In the United States, The Federal Reserve Bank has raised its interest rate 7 times in a row and the Bank of England raised interest rates 9 times. More than 33 central banks around the world implemented accelerated rate increases to rein in inflation during the year, representing the highest rate of interest in 15 years. These decisions represented deflationary monetary policies that curtailed the ability of the world's economies to sustain the growth experienced after the coronavirus pandemic receded.
- The deflationary monetary policy pursued by the United States of America to raise interest rates from its zero borders to a level of 4.5% has undoubtedly led to the appreciation of the dollar against all other countries' currencies, fueling inflation ratios in most countries of the world, not linked to the exchange rates of their currencies in US dollars, due to the depreciation of their domestic currencies against the dollar, especially developing ones. The dollar is also one of the world's most important currencies that major commodities price on its basis in international trade. The use of interest rate hikes to address inflationary pressures has slowed growth rates in most of the world's economies and has had an impact on the world's major economies, especially American, European, Chinese and Japanese, which together control about 70% of global domestic output so the global economy's growth has declined to 3.2% compared to 6% for 2021, according to the International Monetary Fund in its November 2022 report. While economically developed countries suffer the repercussions of high inflation and low rates of growth, the picture is darker in developing and poor countries that cause global inflation, and higher interest rates and a growing dollar in the international monetary system are rising import bills, worsening their indebtedness. and Many were unable to meet their financial obligations, all resulting in a significant decline in their growth rates and an additional wave of inflation under what is known as imported inflation.

Because of the dependence of developing and less developed countries on the import of many commodities from abroad and the public budgets of many developing countries have experienced confusion, Attempts to cope with the latest inflation, which has hit all its activities and economic sectors, and Developing countries' public indebtedness levels have risen, with about 60% of the world's poorest countries either in a critical state of indebtedness or at risk and The world's poorest countries, suffering from increased debt burdens, cannot make sensitive investments in economic reform.

- The Ukrainian-Russian War, which has negatively overshadowed the overall performance of the global economy, particularly on supply chains, food prices, raw materials and energy, has contributed to the threat to food supply chains and energy sources, inflated global prices and increased inflationary pressures experienced by most of the world's economies, especially Europe.
- China's Zero Covid Policy imposed strict and stringent measures that shut down large parts of the country and China suffered during the year from the consequences of the debt crisis of major real estate companies, which left its impact on the contribution of the Chinese real estate sector to domestic output, all led to a decline in China's economy growth rate to 3.2%, according to the International Monetary Fund for October, compared to the 4.8% growth rate recorded in 2021.

Thus, three negative developments have hit the growth potential of the global economy, reflecting negatively on its growth ratios; For this reason, the world has entered a stage of crisis. Since not all of these developments have been taken into account by international financial institutions, International Monetary Fund (IMF) and World Bank, the expectations of these institutions naturally contravened this year's developments and international financial institutions, especially IMF and the World Bank, adjusted growth expectations. These events also negatively affected the performance of global financial markets where Most markets suffered significant losses as the MSCI World index fell 19.5% during the year, This is the largest decline in global financial markets since the global financial crisis of 2008, after most major stock markets experienced losses at double-digit rates.

In the January 2022 report, the "Global Economic Prospects" report issued by the World Bank expected that the growth of the global economy would exceed 4.1%, but The International Monetary Fund (IMF) was more optimistic, with the global economy projected to grow by 4.9% in the year, and about 3.8% in 2023. However, the reality that prevailed in the world economy during the year reflected all expectations, However, the reality that prevailed in the world economy during the year reflected all expectations. In November, the International Monetary Fund (IMF) lowered its global economic growth forecast to 3.2% from 6% for 2021 and its 2023 forecast to 2.7% against a previous forecast of 2.9% previous forecast of 2.9%.

As for the performance of the Arab Gulf Cooperation Council (GCC) economies, it is expected to record growth rates of up to 6.9% during the current year, taking advantage of higher energy prices, according to World Bank projections. These developments are also reflected in surpluses in its public finances, with an expected 5.3% of its domestic output. The balance-of-payments surpluses in these countries will this year reach 17.2% of their local output.

In short, contrary to projections from international institutions, 2022 did not complete the course of economic recovery, which began in the recovery phase from the fallout from the outbreak of the coronavirus pandemic in 2021. Quite the opposite.



Global Stock Market Performance

Global Stock Market Performance

2022 was difficult for global financial markets in which most markets suffered significant losses with the MSCI Global Index falling 19.5% over the past year, and the MSCI Global Equity Index falling 19.46%. This is the largest decline in global financial markets since the global financial crisis of 2008, after most major equity markets experienced losses at double-digit rates, Global indices have shown a weak trend since the beginning of the year. Paradoxically, 2022 is the simultaneous decline between bonds and stocks, with bond prices falling by 12% in 2022, what is expected and assumed to be a reverse relationship between stocks and bonds and what happened is the opposite.

The decline in the number and values of initial public offerings (IPOs) around the world was a consequence of the decline in global financial market performance. The total number of IPOs in global markets in general and the United States in particular declined in 2022 compared to the previous year, as 214 companies were launched, which managed to raise a total of 21.8 billion US dollars, while in 2021, 1091 companies were launched, which managed to raise 335 billion US dollars.

In general, there are several factors that have been instrumental in the underperformance of global financial markets, including:

1

High inflation rates in most of the world's economies driven by high energy prices, constraints on supply chains and recovery in demand, as inflation reached its highest level in 40 years, and created economic confusion that significantly affected global economic growth levels and negatively affected the performance of financial markets.

2

Central banks in most of the world tighten their monetary policies by raising the interest rate during 2022 to rein in inflation, and the US Federal Reserve was one of the largest central banks to tighten its monetary policy by raising the interest rate seven times from near zero levels to 5.4%, and Most of the world's central banks have followed its approach as the European Central Bank raised interest for the first time since 2011, The Bank of England also raised interest for the eighth consecutive time since the beginning of last year, resulting in an outflow of liquidity from exchanges to banks due to the attractiveness of bank deposits and the negative impact on global financial markets.

3

The Russian-Ukrainian war and its negative repercussions on high energy, food and raw materials prices, as well as the pessimistic situation of the possible expansion of the war, all of this had a major impact on the performance of the global economy and its financial markets.

4

The economic slowdown of the world's major economies, especially the American, European and Chinese economies, together constitutes more than 60% of the global economy, which dominated markets during the year, and may extend to 2023 with the prospect of recession remaining.

5

Pessimistic statements by officials of international economic and financial organizations such as the International Monetary Fund (IMF), the World Bank, the European Union Bank and other organizations created a pessimistic state of the future of economic opportunities and negatively reflected on the performance of financial markets.

In reviewing the performance of the world's major financial markets, it may be noted that:

The U.S. Stock Exchange ended 2022 with its worst annual performance, as The three Wall Street indices suffered annual losses that evaporated about \$18 trillion of their market value. equity on the New York Stock Exchange (NYSE) lost 20% of their value, Dow Jones fell 8.78% and Nasdaq fell 33.1%. It is the fourth largest loss in the U.S. stock market since World War II. Wall Street's 2022 decline came after the 2008 financial and real estate crisis when the stock market lost 38.5%, then collapsed in 1974 when the decline reached 29.7%, and finally the collapse of the Internet bubble in 2002 when the market fell 23.4%, and technology stocks in US markets topped the list of the biggest losses with a loss of about a third of their market value during the year, and all sectors recorded a decline except for the energy sector, which recorded a historic rise of 57.6%. The fall in the U.S. stock market in 2022 was due to the Federal Reserve's tight monetary policy throughout the year to rein in high inflation, coinciding with rising inflation the Russian-Ukrainian war that deepened the supply chain crisis, caused increased energy prices and undermined consumer and investor confidence, and companies revenue and outlook for the future of profits throughout the year were affected by uncertainty.

The European market group also suffered severe losses during the year, with the European "STOXX 600" index falling 13.1%, while the "Euro STOXX 50" index fell about 11.9%. For major European markets, Germany's DAX fell 12.3% and France's CAC lost 9.5%, while Britain's FTSE 100 recorded the only rise among European markets, but a slight 0.9%. In Asian markets, Japanese stocks posted their first annual loss in 4 years and Japan's Nikkei fell 9.4%, while the broader Topix index fell 5.1%, Chinese stocks suffered the worst annual loss since 2018, and the "CSI 300" index fell by -21.63%, influenced by several factors, zero COVID-19 policy, the real estate crisis and the Federal Reserve's tightening monetary policy.



**Major Global
Financial Indices
of 2022**

The following table presents the major global financial indices of 2022

Markets	Indices	Index Code	Index Value on 31/12/2021	Index Value on 31/12/2022	Annual Variation%	Average Annual Growth Rate
American Markets	NASDAQ	NASDAQ	15,644.97	10,497.86	-32.90%	-20.37%
	Standard and Poor's	S&P 500	4,766.18	3,839.50	-19.44%	
	Dow Jones Industrial Average	DJIA	36,338.30	33,147.25	-8.78%	
Major European Markets	Russia	MCX	3,787.26	2,154.12	-43.12%	-12.75%
	Italy	FIMIB	27,346.83	23,705.96	-13.31%	
	German deutscher Aktienindex	DAX	15,884.86	13,923.59	-12.35%	
	French CAC	CAC 40	7,153.03	6,473.76	-9.50%	
	Amsterdam	AEX	797.93	689.01	-13.65%	
	Switzerland	SMI	12,875.66	10,729.40	-16.67%	
	Financial Times Stock Exchange	FTSE	7,384.54	7,451.74	0.91%	
	Spain	IBEX	8,713.80	8,229.10	-5.56%	
Denmark	OMXC20	1,863.99	1,835.28	-1.54%		

Markets	Indices	Index Code	Index Value on 31/12/2021	Index Value on 31/12/2022	Annual Variation%	Average Annual Growth Rate
Major Asian Markets	Japanese Nikkei Index	N225	28,798.70	3,871.63	-9.37%	-7.47%
	China	CSI 300	4,940.37	40,420.45	-21.63%	
	Pakistan	KSE	44,596.07	4,521.16	-9.36%	
	South Korea	KRX 100	6,207.79	6,566.39	-27.17%	
	Philippines	PSI	7,122.63	1,495.49	-7.81%	
	Kuala Lumpur (Malaysia)	KLSE	1,567.53	60,840.74	-4.60%	
	Mumbai India	SENEX 30	58,253.82	19,781.41	4.44%	
	Hon, kong	HIS	23,397.67	6,850.62	-15.46%	
	Indonesia	JKSE	6,581.48	1,668.66	4.09%	
	Thailand	SETI	1,657.62	3,251.32	0.67%	
Major African Markets	Singapore	STI	3,126.64	3,251.32	3.99%	9.92%
	South Africa	JTOPI	67,052.40	66,955.47	-0.14%	
	Nigeria	NEGRIA	42,716.44	51,251.06	19.98%	
Other Major Markets	New Zealand	NZX ALL	2,105.67	1,789.84	-15.00%	-6.38%
	Mexico	MSE	78,761.17	74,244.04	-5.74%	
	Australia	AORD	7,779.20	7,221.70	-7.17%	
	Canada	S&P/TSX	21,222.84	19,384.92	-8.66%	
	Brazil	IBOV	104,822.44	109,734.60	4.69%	



Arab Financial Markets Performance



Arab Financial Markets Performance

First Gulf Stock Markets Performance

The majority of gulf market indices ended higher in 2022, with an average rise of 6.58%, and the (Abu Dhabi Securities Exchange) topped the list of rises of 20.30%.

The Muscat Stock Exchange was second with 17.63%, followed by the Bahrain Stock Exchange (bourse), Dubai Financial Market and Kuwait Stock Exchange, with a rise of 5.45%, 4.39% and 3.43% respectively. Qatar Stock Exchange and Saudi Stock Exchange (Tadawul) declined by 8.13% and 7.12%, respectively. Most of the Gulf market indexes began trading at the beginning of the year in the Green Zone and then proceeded on an upward trajectory until the end of the first quarter on a mass rise, as a result of the lifting of precautionary and preventive measures related to the fight against the coronavirus pandemic, as well as the significant rise in oil prices.

Some Gulf markets experienced a decline in performance during the second half of the year, with some of the region's markets ending the year lower, as global markets slumped amid tighter monetary policy and higher interest rates to counter inflation risks as well as the political and economic confusion created by the Russian-Ukrainian war.

Trading Values for Gulf Markets

The values of the Gulf markets have fallen by 13% compared to 2021, with trading values amounting to 686.7 billion USD this year compared to 790 billion USD in 2021. also The total shares of equity traded also fell 261.4 billion shares compared to 309 billion shares in 2021, down 15.4%

And The majority of the Gulf markets have seen their trading values rise this year, with Dubai Market trading jumping 26.3%, worth 24 billion USD, and Abu Dhabi trading rising 16.2%, reaching 112 billion USD.

Muscat stock exchange trades rose 14.92% to \$2.44 billion. Qatar and Kuwait also increased trading by 43.4% and 9.8%, respectively. The decline in trading value was limited to the Saudi and Bahrain Stock Exchange (bourse), which declined by 23.8% and 33.8%, respectively. Saudi Arabia's market share was 66.1% of total Gulf market trading during the year, over 454 billion USD traded.

Market Capitalization of the Gulf Markets

The market capitalization of gulf financial markets was 3.914 trillion USD by the end of 2022, with a market capitalization of 2.63 trillion USD, that is, 67%, The Abu Dhabi market followed with a market capitalization of 714 billion USD followed by the Qatar Stock Exchange, Dubai Financial Market, Kuwait Stock Exchange (bourse), Muscat Stock Exchange and Bahrain Stock Exchange (bourse), with a market capitalization of USD 167, 158, 153, 62 and 30 billion respectively.

Profit Repeaters

The Bahrain market achieved the lowest repetition of profitability among the Gulf markets for the last 12 months at a rate of 9.1 times, followed by the Muscat Stock Exchange at a rate of 10 times and the Dubai Financial Market at 10.7 times, while the Abu Dhabi Market and the Saudi Market came as the highest repetition of profitability by the end of the first half of 2022 at 28.2 times and 19.5 times respectively.

Second Non-Gulf Arab Financial Markets Performance

The majority of Arab non-Gulf market indices ended 2022 with an average rise of 13.90%, higher than the average rise in Gulf markets. The "Beirut Stock Exchange" index topped the list of rises by 42.63% followed by the "Egyptian Exchange" by 22.17%, followed by the "Amman Stock Exchange", the "Bourse de Tunis" and the "Palestine Exchange" "by 18.18%, 15.10% and 5.14% respectively.

The "Casablanca Stock Exchange" closed 19.75% lower, violation of that the trends of Arab financial markets and in line with declines in the majority of global financial markets. In terms of the market capitalization of Arab Non-Gulf financial markets, it reached USD 143 billion at the end of 2022, and constitutes its own 3.52% of the market capitalization of all Arab markets. The market capitalization of Gulf markets constitutes its own 96.48% and non-Gulf Arab markets constitute its own 3.52%. but The value of trading in this group of Arab markets amounted to USD 18.47 billion. This amount represents a 2.62% share of the total trading of all Gulf and non-Gulf Arab markets.



Key Arab Financial Market Indices 2022

Key Arab Financial Market Indices 2022

Markets	No.	Market Name	Index Code	Index Value on 31/12/2021	Index Value on 31/12/2022	Annual Variation %	Average Annual Growth Rate
GCC Markets	1	Abu Dhabi Securities Exchange	ADX	8,488.36	10,211.09	20.30%	6.58%
	2	Saudi Stock Exchange (Tadawul)	TASI	11,281.71	10,478.46	-7.12%	
	3	Dubai Financial Market	DFM	3,195.91	3,336.07	4.39%	
	4	Boursa Kuwait	BKA	7,043.16	7,292.12	3.53%	
	5	Bahrain Bourse	BSE	1,797.25	1,895.27	5.45%	
	6	Muscat Stock Exchange	MSX30	4,129.54	4,857.44	17.63%	
	7	Qatar Stock Exchange	QE	11,625.81	10,681.07	-8.13%	
Non- Gulf Arab Markets	1	Beirut Stock Exchange	BSI	1,005.30	1,410.28	42.63%	13.90%
	2	Palestine Exchange	PSE	608.45	639.71	5.14%	
	3	Amman Stock Exchange	ASE	2,118.65	2,501.60	18.08%	
	4	Casablanca Stock Exchange	MASI	13,358.32	10,720.25	-19.75%	
	5	Egyptian Exchange	EGX	11,949.18	14,598.53	22.17%	
	6	Bourse de Tunis	TUNIS INDEX	7,046.01	8,109.68	15.10%	

Average growth of Arab financial markets - **9.96%**





Omani Economy Performance

Omani Economy Performance

During the year, the Omani economy experienced a remarkable development that contradicted the trends of the global economy's performance thanks to its potentials. Represented in the Macroeconomic stability, complementarity of the infrastructure system and legislative infrastructure related to the economic and investment work environment, growth rates in non-oil sectors and qualified national human resources, and financial stability represented by the soundness of the public finances position, and financial stability represented by the soundness of the position of public finances, the banking system and monetary policy, and the stability of the local currency. All these factors constitute the basic pillar of the national economy and enabled it to confront and overcome or limit global economic changes through its ability to adapt to local and global economic challenges and its ability to maintain Positive growth rates. Oman's economy is now more resilient compared to the 2014-2016 period of oil price decline, through efforts to diversify government revenue sources away from hydrocarbons.

And Oman's economy has achieved many positive results during the year driven by high oil prices, and controlled government spending and growth of non-oil revenues. The rise in oil prices and the implementation of fiscal performance control action under the medium-term fiscal plan and the decrease in the level and risk of public debt have had a significant impact on the improvement of the Sultanate's credit rating by international credit rating institutions, also it issuing an optimistic assessment for the first time since 2015.

The economic recovery trajectory during 2022 has improved GDP growth and the IMF expects to grow by 4.3% during 2022, and This is much higher than the expected global economic growth rate of 3.2%, and the Sultanate recorded a financial surplus of 1.21 billion OMR for the period from January to October 2022, although public spending rose by 9.5% on an annual basis over the same period.

At the level of economic activities, the added value of oil activities increased by 9.2% to reach about 6.02 billion OMR during the first half of 2022 AD, while the added value of non-oil activities grew by 2% to reach 12.08 billion OMR during the first half of the year. The growth of non-oil activities came as a result of the growth of most economic activities.

As a result of these developments, the contribution of oil activities to GDP at constant prices rose to about 34.4% in the first half of 2022 compared with 32.7% in the first half of 2021. In contrast, non-oil activities' contribution to GDP declined at constant prices to about 69% in the first half of 2022, compared to 70.2% in the similar half of 2021.

As for the performance of the external sector, it achieved a remarkable improvement in conjunction with the improvement in crude oil prices. The trade balance surplus increased by a remarkable rate of 174.3 percent, to reach about 5.9 billion OMR. during the first seven months of 2022 compared to 2.1 billion OMR during the same period in 2021. As a result of the growth of commodity exports by 63.6 percent and the growth of commodity imports by 29.1 percent. The remarkable growth in commodity exports is due to the growth of oil exports by 80.8 percent and the growth of non-oil exports by 54.5 percent during the first seven months of 2022 compared to the same period in 2021.

At the level of performance of monetary and banking indicators, the various indicators achieved an improvement in 2022 compared to 2021, as local liquidity grew (widespread cash offer) at 3.7% to ensure an adequate level of local liquidity to secure appropriate financing for different sectors and economic activities Total deposits in the banking sector also increased by 5.2% and the total credit balance granted by the banking system increased by 3.5% at the end of August 2022, while the credit granted to the private sector increased by 2.4% at the end of August 2022. With regard to the performance of the Muscat Stock Exchange, it improved well during the year, with its main index (MSX 30) rising 17.63% at the end of the year and trading volumes increasing 14.92%.

As for foreign direct investment, it increased by 17.4% to reach 18 billion OMR during the first half of the year, according to available data, thanks to the government's continuous efforts to create a suitable environment for foreign investment.



In terms of the overall price level, although the overall rise in the global inflation rate by 8.8%, the inflation rate increased by 3% in the Sultanate of Oman during the period (January-September) of the year compared to about 0.9% during the same period in 2021. although this rise, it remains within acceptable and safe rates, owing to the increase in the world price level of different commodities and services, especially food and agricultural commodities, in addition to the problems and imbalances in global supply chains and the high costs of shipping, insurance and logistics services, as well as the rise in global energy prices. The increase in domestic demand for goods and services as a result of the recovery of economic activity after the decline of the coronavirus pandemic has also had an impact on higher public prices.

And Concerning the projections set for the Omani economy in 2022 in line with the government's financial stimulation policies aiming to achieve the Sultanate's economic and social objectives that encompass the development and diversification of the national economy in accordance with its future vision 2040, to achieve economic diversification and reduce dependence on oil revenues as a primary source of financing public spending - the general budget for 2022 was designed to achieve a specific set of goals, the most important of which are

- Achieving the financial and economic stability of the state
- Continue the policy of supporting economic diversification
- Expanding the participation of the private sector and stimulating small and medium enterprises
- Debt Control at Safe Borders
- achieving Economic growth rates of at least 3% at constant prices
- Maintaining inflation levels at moderate levels of about 3%
- Sustainability of investment spending on government projects
- Maintaining the level of social services provided
- Supporting for governorates development and self-income development programs
- Support and development of the National Program for Digital Transformation plan
- Accommodation of the largest number of job seekers in accordance with the plan of the National Employment Program

The government has sought to build a budget for 2023 that meets the requirements of achieving the above goals. The revenue of this budget is estimated at 11.65 billion OMR compared to 10.58 billion OMR in the approved budget for 2022, noting that the estimated price of oil was calculated on Basis 55 dollars per barrel. As for public spending, it was estimated at OMR (12.95) billion, compared to the estimates of the approved budget for the year 2022, which amounted to OMR 12.13 billion, an increase of 6.7%, which represents an increase in the necessary requirements and needs, the financial deficit for the financial year 2023 is expected to reach (1.3) billion OMR, which represents 3% of the GDP and 11% of the total revenues estimated in the budget.

The public debt at the end of 2023 is expected to reach 18.6 billion OMR as a result of the expectation that the state's general budget will register a financial deficit during the year.



Muscat Stock Exchange (MSX) Performance 2022



مؤشر السوق الشرعي
1,083.85

بورصة مسقط
MUSCAT STOCK EXCHANGE



Muscat Stock Exchange Performance 2022

The Muscat Stock Exchange MSX30 Index closed at the end of 2022, at 4,857.44 points compared to 4,129.54 points at the end of 2021, An increase of 728 points, or 17.63%. The index achieved the highest closing point during the year on 12-13-2022, when it closed at 4907.9 points.

And The market capitalization of the listed financial instruments at the end of 2022 was 23.74 billion OMR, this is an increase of 7.45% compared to the end of the previous year. The total value of financial instruments traded on the stock exchange during the year 2022 amounted to about 940 million Omani riyals, compared to 818 million riyals for the previous year, with an increase of 14.9%.

The total number of transactions executed during 2022 was 134475 thousand transactions against 151527 thousand transactions executed during the 2021 year, a decrease of 11.25%. The total number of stock traded in 2022 was 4.228 million stock, compared to 4.134 million stock traded in 2021, an increase of 2.26%. The number of bonds traded during the year amounted to 54 million bonds in 2022 against 74 million bonds in 2021, a decrease of 27.03% to the daily average number of transactions executed during 2022, about 544 transactions against 616 daily average during 2021, a decrease of 11.68%.

As for the daily average value of traded trading during the year 2022 AD, it amounted to about 3.8 million riyals, compared to 3.3 million riyals as a daily average for the year 2021, with an increase of 15%, The daily average number of shares traded during the year 2022 was about 17 million stock, compared to 16 million stock as a daily average during the previous year, an increase of 6.25%. As for the daily average number of bonds and sukuk traded during 2022, it amounted to 219 thousand riyals compared to 303 thousand bonds and instruments. with a decrease of 27.7%.

Sectoral Activity

During the year 2022 AD, the financial sector was one of the most active sectors in terms of the number of transactions executed, as it amounted to about 63 thousand transactions, representing 47% of the total number of transactions executed during the year, and the industrial sector came second, as the number of transactions executed in this sector reached 37 thousand transactions by 28%. The services sector came in third place with about 32,000 deals by 24% of the total number of deals executed during 2022.

In terms of the value of the shares traded during 2022, the financial sector was one of the most active sectors, with a total value of 498 million OMR during the year. The services sector was dissolved second, with the total value of the traded shares in this sector amounting to 235 million riyals. The industry sector came in third place at 148 million OMR at a rate of 15.7% of the total value of stock traded during the year 2022 AD. As for the number of shares traded during 2022, the financial sector was one of the most active sectors, with the number of shares traded to the sector amounting to approximately 2,842 million shares representing 67% of the total number of shares traded during the year. The services sector is followed by 707 million shares at 16.7% and the industry sector at 662 million shares representing 15.6% of the total number of shares traded during 2022.

Companies Activity

For Companies activity during 2022, Bank Muscat has topped the number of transactions executed with 13,000 transactions, and then Galfar Engineering and Contracting Company with about 8 thousand transactions and third place Al-Anwar Investment Company with about 6.7 thousand transactions.

As for the value of shares traded during the year 2022 AD, Bank Muscat topped with a value of 200.5 million OMR, then Oman Telecommunications Company with about 119 million OMR, and the National Bank ranked third with about 81 million OMR.

Summary of Initial Public Offerings (IPOs) – 2022

Barka Desalination Company was launched for public offering and the Real Estate Investment Fund in 2022, bringing the total number of companies listed on the market by the end of the year to 110, and the offering proceeds during the year 2022 were about 51.95 million riyals. At the end of 2022, the market capitalization of the companies that were introduced and listed on the market during the year was about 10.422 million OMR and 49.27 million OMR respectively, constituting 0.25% of the total market capitalization.

Foreign Investment

The value of the purchase of foreigners during the year amounted to 111 million OMR and 11.84% of the total value of the purchase, while the value of the sale amounted to 129 OMR million, consisting of 13.8% of the total value of the sale

The percentage of foreign contributions was 22.88% of the exchange's activity compared to 24.67% over the last year, with a decrease of 7.26%.

Number of Listed Companies

The number of listed companies at the end of last year was 107 companies and 3 real estate funds compared with 108 companies and two real estate funds at the end of 2021.

Number of Brokerages

The number of brokerage companies operating on the Muscat Stock Exchange was 9 companies compared to 10 Brokerage companies at the end of 2021.

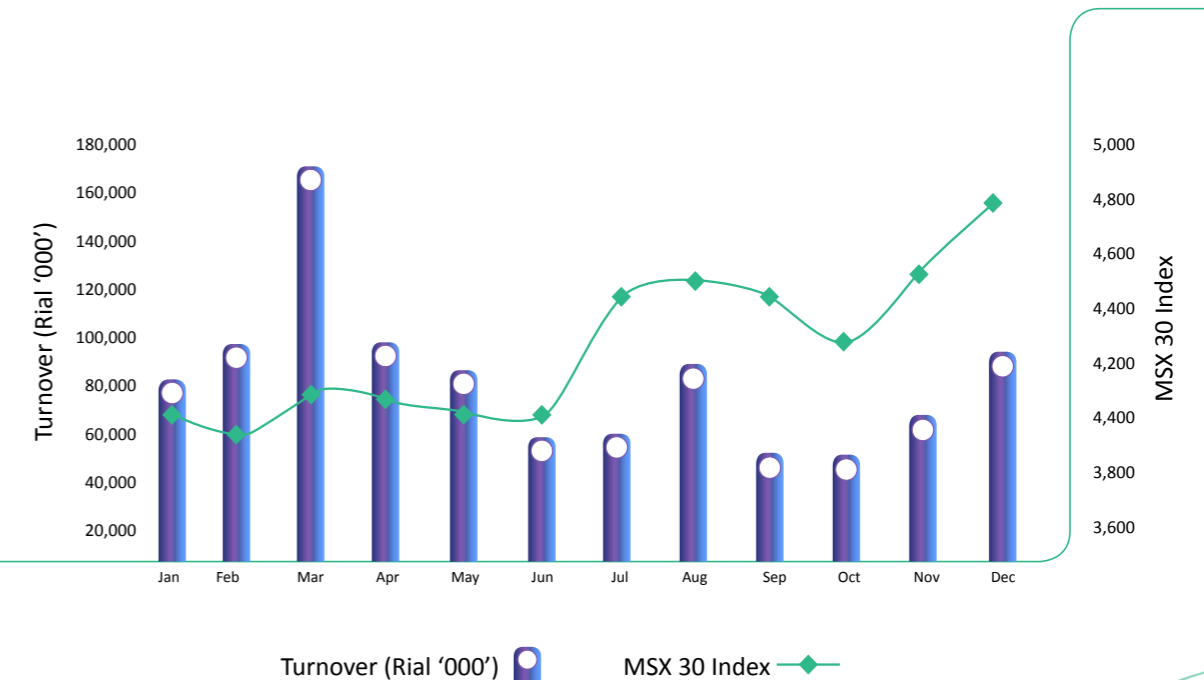
	2018	2019	2020	2021	2022
MSX30 Index	4,323.74	3,981.19	3,658.77	4,129.54	4,857.44
Number of Traded Days	247	245	243	246	247
Number of Trades	149,712	118,105	103,951	151,527	134,475
Number of Shares Traded - Million	4,015	3,863	2,282	4,135	4,229
Traded Stock Values-Million Riyal	739	662	401	645	883
Number of Traded Bonds-Million	6.19	33.38	25.29	74.45	54.20
Traded Bond Values-Million Riyal	24.20	49.88	40.27	172.93	57.58
Total Trade Value - Million Riyal	763	712	441	818	940
Turnover Daily Average-Million Riyal	3.09	2.90	1.81	3.33	3.81
Market Capitalization - Million Riyal	18,176	18,766	20,242	22,091	23,737

Capital structure in joint stock companies in 2021

Description	Number	Amount (Riyal)
New Issues (Companies)	2	51,954,540
New Issues (Bonds & Sukuk)	6	731,909,333
Rights Issue	2	175,000,000
Private subscription	4	21,339,917
Bonus Shares	8	395,796,728
Total	22	1,376,000,518
Bonds converted into shares or company mergers	-	-
Reduction in Capital	4	252,372,554
De-listed Companies	2	7,640,000

MSX30 Index & Turnover – Monthly

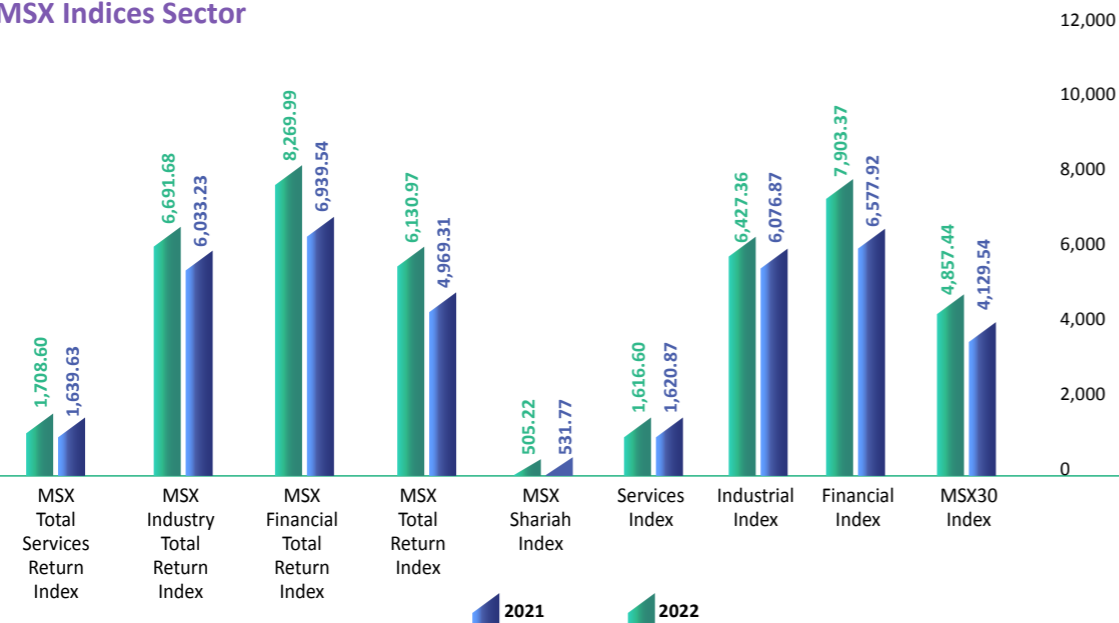
Date	MSX30 Index	Turnover (Thousand Riyals)
January 2022	4,116.00	78,415.97
February 2022	4,055.42	94,038.57
March 2022	4,205.20	168,914.77
April 2022	4,158.37	94,791.32
May 2022	4,116.00	83,159.62
June 2022	4,122.56	54,375.54
July 2022	4,532.11	56,308.82
August 2022	4,585.30	79,379.90
September 2022	4,528.34	44,773.60
October 2022	4,365.98	43,798.23
November 2022	4,613.72	57,837.08
December 2022	4,857.44	84,497.04



MSX Indices Sector

Sector	2021	2022	Variation %
MSX30 Index	4,129.54	4,857.44	17.63%
Financial Index	6,577.92	7,903.37	20.15%
Industrial Index	6,076.87	6,427.36	5.77%
Services Index	1,620.87	1,616.60	-0.26%
MSX Shariah Index	531.77	505.22	-4.99%
MSX Total Return Index	4,969.31	6,130.97	23.38%
MSX Financial Total Return Index	6,939.54	8,269.99	19.17%
MSX Industry Total Return Index	6,033.23	6,691.68	10.91%
MSX Total Services Return Index	1,639.63	1,708.60	4.21%

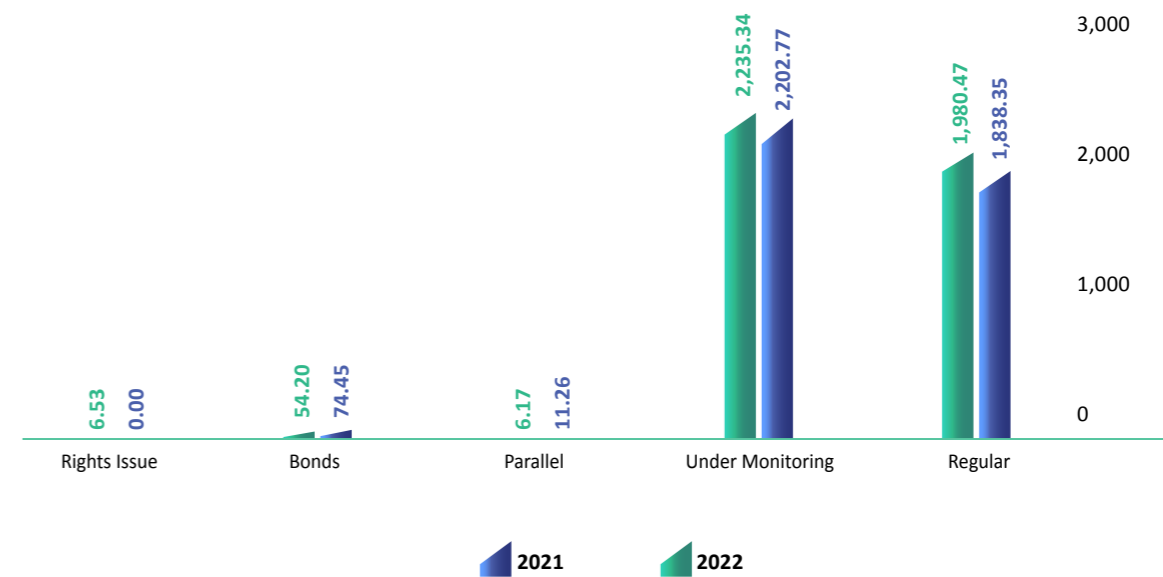
MSX Indices Sector



Trading Activity - Number of Traded Securities (million) - Market wise

Market	2021	2022	Change %
Regular	1,838.35	1,980.47	7.73%
Parallel	2,202.77	2,235.34	1.48%
Under Monitoring	11.26	6.17	-45.25%
Bonds	74.45	54.20	-27.19%
Rights Issue	--	6.53	--
Total	4,126.83	4,282.71	3.78%

Number of Traded Securities (million) - Market wise



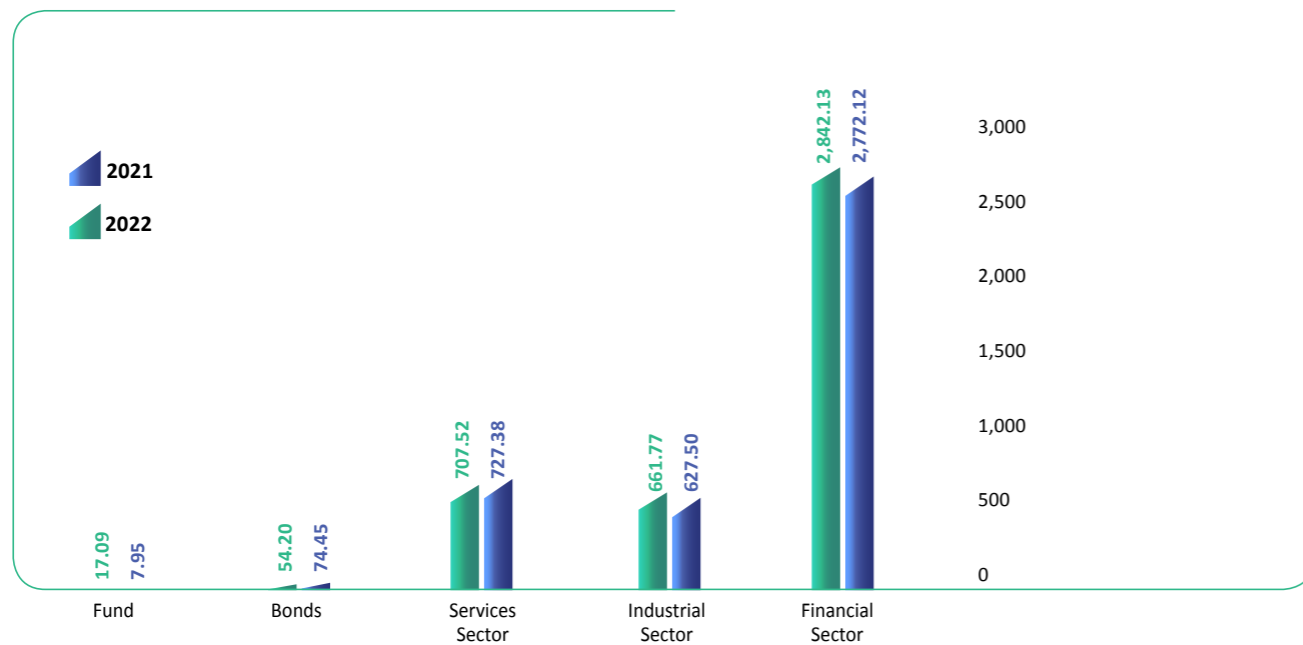
Trading activity - Number of Traded Securities (million) - based on Sectors

Sector	2021	2022	Change %
Financial Sector	2,772.12	2,842.13	2.53%
Industrial Sector	627.50	661.77	5.46%
Services Sector	727.38	707.52	-2.73%
Bonds	74.45	54.20	-27.19%
Funds	7.95	17.09	115.02%
Total	4,209.39	4,282.71	1.74%

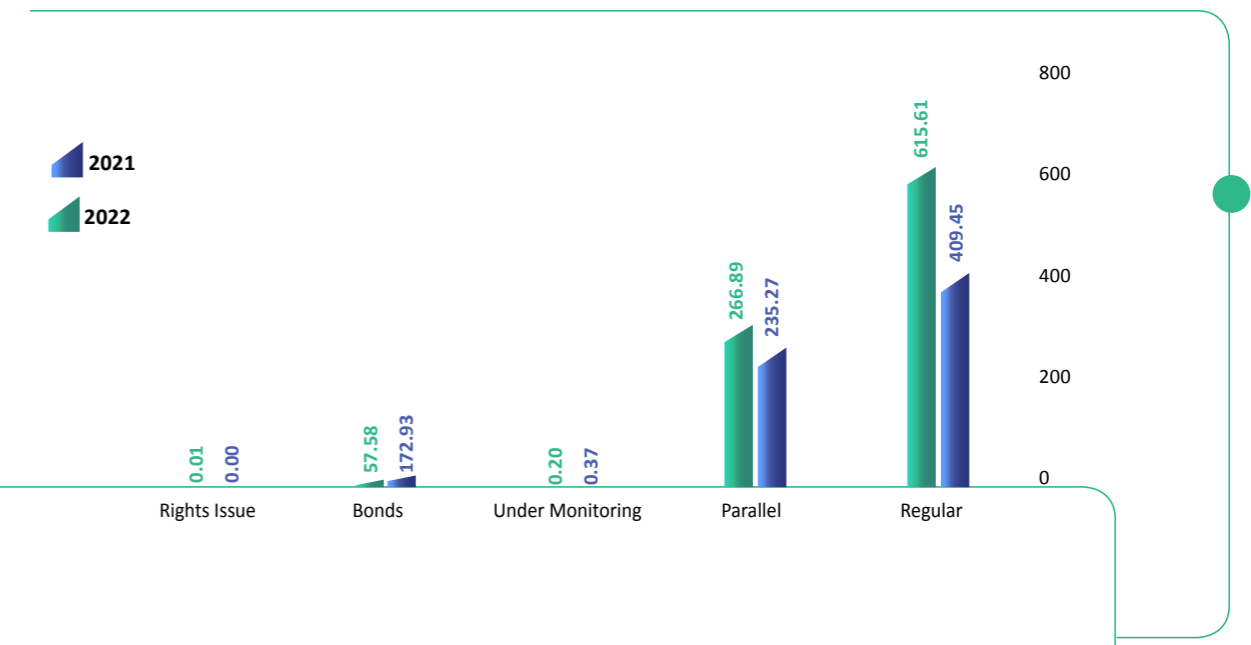
Trading Activity-Value of Traded Securities (million) - based on Markets

Market	2021	2022	Change %
Regular	409.45	615.61	50.35%
Parallel	235.27	266.89	13.44%
Under Monitoring	0.37	0.20	-46.28%
Bonds	172.93	57.58	-66.70%
Rights Issue	--	0.01	--
Total	818.01	940.29	14.95%

Number of Traded Securities (million) - based on Sectors



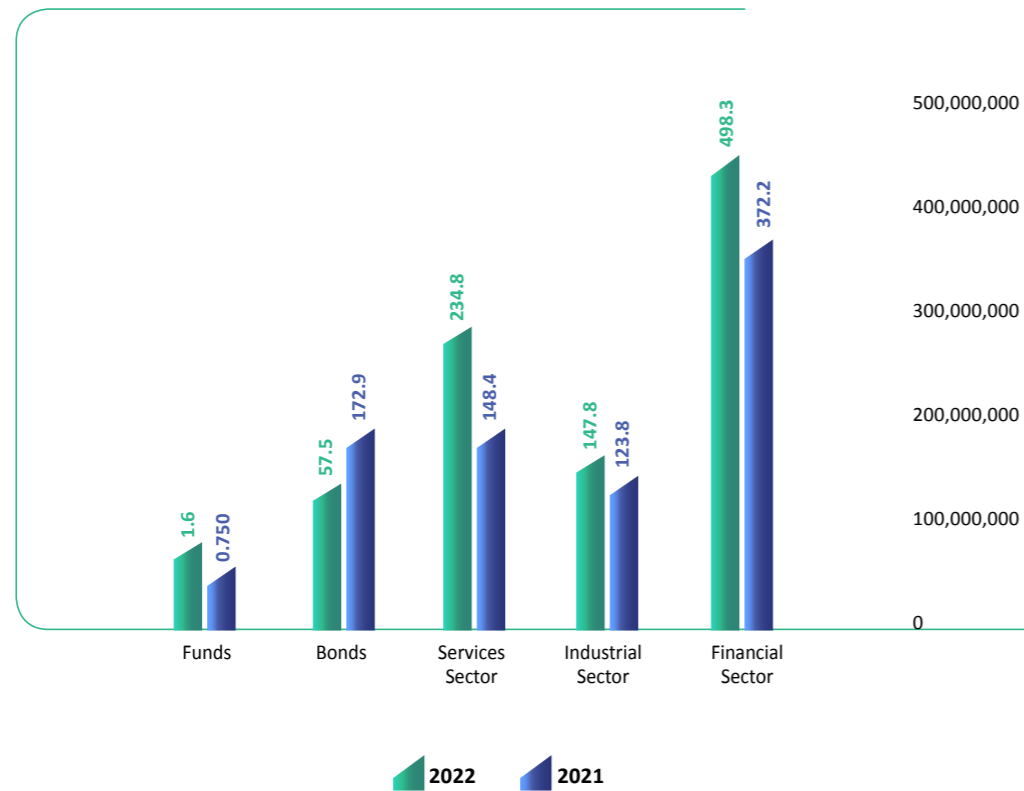
Value of Traded Securities (million) - based on Markets



Trading Activity - Value of Traded Securities (Million Rial) - by Sector

Sector	2021	2022	Change %
Financial Sector	372.2	498.3	33.86%
Industrial Sector	123.8	147.8	19.38%
Services Sector	148.4	234.8	58.21%
Bonds	172.9	57.5	-66.70%
Funds	0.750	1.6	125.41%
Total	818.2	940.2	14.92%

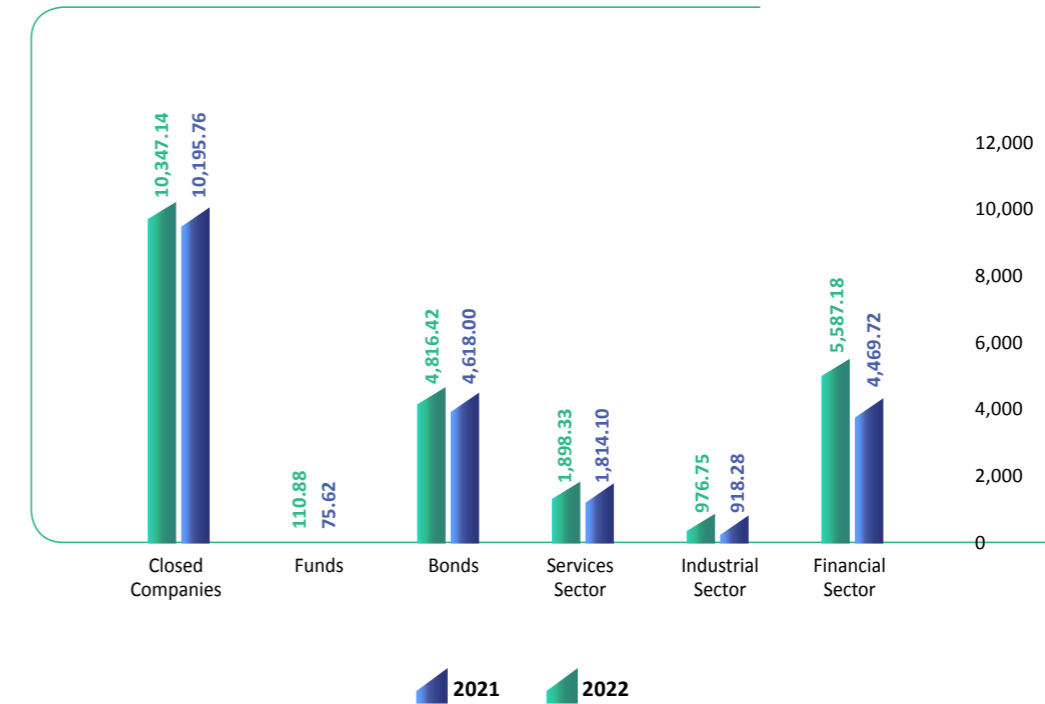
Value of Traded Securities (Million Rial) - by Sector



Market Capitalization (Million Rial) - by Sector

Sector	2021	2022	Change %
Financial Sector	4,469.72	5,587.18	25.00%
Industrial Sector	918.28	976.75	6.37%
Services Sector	1,814.10	1,898.33	4.64%
Bonds	4,618.00	4,816.42	4.30%
Funds	75.62	110.88	46.63%
Closed Companies	10,195.76	10,347.14	1.48%
Total	22,091.49	23,736.71	7.45%

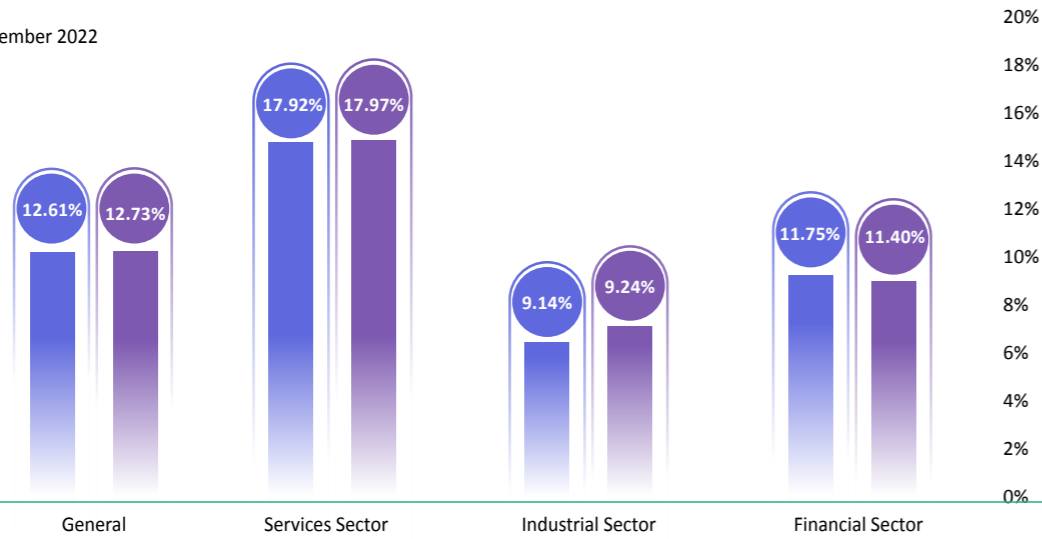
Market Capitalization (Million Rial) - by Sector



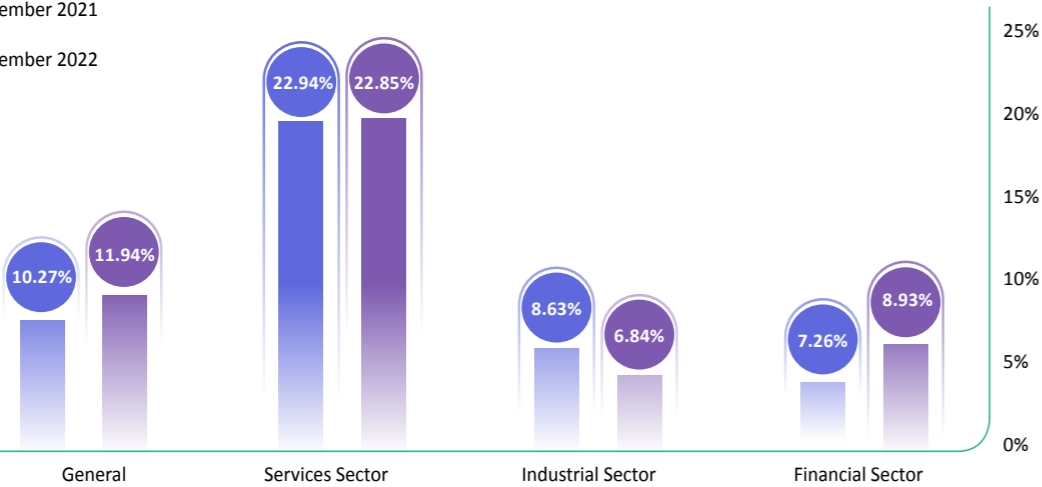
Foreign Investment

Period	Financial Sector		Industrial Sector		Services Sector		General		Total
	Gulf	Foreign	Gulf	Foreign	Gulf	Foreign	Gulf	Foreign	
December 2021	11.40%	8.93%	9.24%	6.84%	17.97%	22.85%	12.73%	11.94%	24.67%
December 2022	11.75%	7.26%	9.14%	8.63%	17.92%	22.94%	12.61%	10.27%	22.88%
Change %	2.98%	-23.00%	-1.09%	20.74%	-0.28%	0.39%	-0.95%	-16.26%	-7.82%

December 2021
December 2022



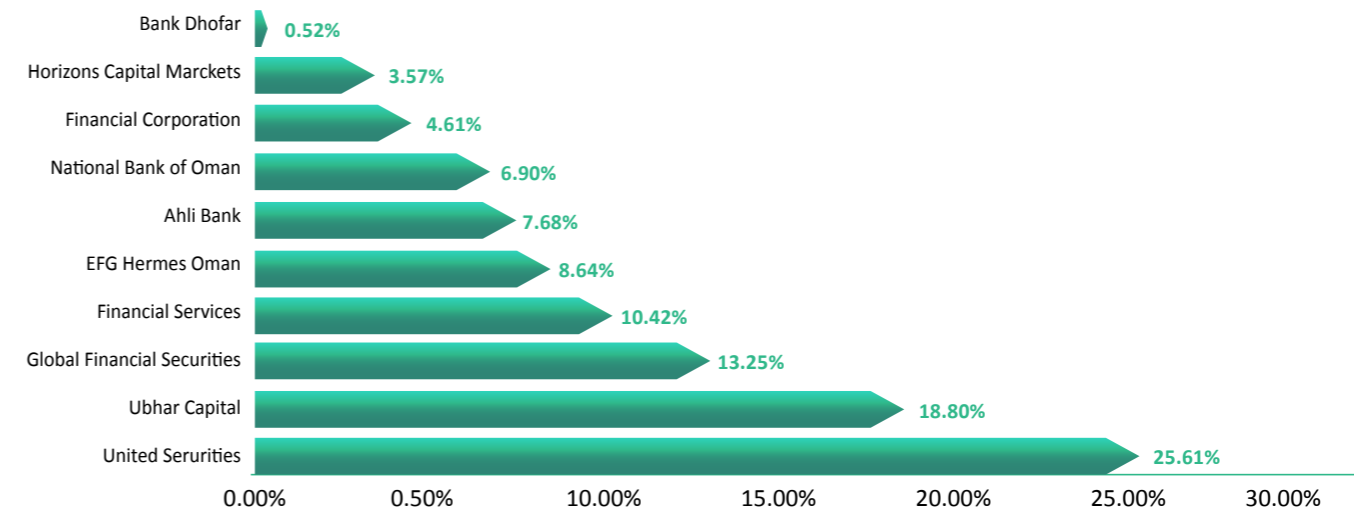
December 2021
December 2022



Brokerage Cos - Market Share 2022

Name of Brokerage Co.	Buy			Sell			Mkt. Share % 2022
	No. of Traded Securities	Turnover (Rial)	No. of Trades	No. of Traded Securities	Turnover (Rial)	No. of Trades	
United Securities	1,176,249,068	223,688,742	36,296	1,351,170,932	257,858,534	40,152	25.61%
Ubhar Capital	633,010,407	170,020,617	19,618	692,366,638	183,475,066	21,815	18.80%
Global Financial Securities	633,887,314	121,766,108	23,593	678,761,243	127,484,380	22,517	13.25%
Financial Services	522,637,322	111,467,590	20,044	419,577,801	84,404,985	19,154	10.42%
EFG Hermes Oman	349,912,495	80,573,937	10,415	350,126,357	81,866,961	9,260	8.64%
Ahli Bank	76,226,272	23,690,392	1,921	372,537,433	120,765,975	5,393	7.68%
National Bank of Oman	396,798,117	83,189,901	7,194	175,751,186	46,642,955	4,094	6.90%
Financial Corporation	261,838,001	78,314,699	4,681	53,052,229	8,355,881	2,176	4.61%
Horizons Capital Markets	217,165,466	38,696,297	10,167	182,528,898	28,502,723	9,506	3.5%
Bank Dhofar	14,982,060	8,882,188	546	6,833,805	933,010	408	0.52%
Total	4,282,706,522	940,290,470	134,475	4,282,706,522	940,290,470	134,475	100%

Brokerage Cos. (%) Market Share





Financial report

Balance sheet

Assets	
Current assets	1,734,826
Non-current assets	88,905
	1,845,921
Liabilities	
Current liabilities	166,630
Non-current liabilities	110,327
	56,303
Equity	
Paid-in capital	74,393
Retained earnings	72,921
	1,472

Equity statement

Current year	
Comprehensive income	1,774,576
Issue of share capital	15,897
Dividends	88,905
	23,853
Previous year	
Comprehensive income	166,630
Issue of share capital	110,327
Dividends	56,303
	67,676

Income statement

Revenue	12,978,516
Cost of sales	12,873,892
	104,624
Operating expenses	6,372,535
Depreciation	1,385,395
Other	4,439,118
	548,022
Net earnings	6,505,981

Cash flow statement

Operations	
Net earnings	12,978,516
Depreciation	12,873,892
	104,624
Investing	
Real estate	6,372,535
Equipment	1,385,395
	4,439,118
Financing	
Notes payable	6,505,981
	6,505,981

BUSINESS DASHBOARD

Evolution Metric	Actual vs Target	Actual	Target
Revenue	▲	\$1.4M	82.0%
Profit	▲	\$1.2M	108.7%
Avg. Order Size	▲	\$490.5	71.0%
On-Time Delivery	▲	98.0%	98.0%
New Customers	▲	15432	143.0%
Cost. Satisfaction	▲	88.3%	108.1%
Market Share	▲	48.0%	68.3%



Financial Statements

Financial Statements

Report on the Audit of Separate and Consolidated Financial Statements

Opinion

We have audited the separate and consolidated financial statements of Muscat Stock Exchange Company SAOC (“the Parent Company”) and its subsidiary (together “the Group”), which comprise the separate and consolidated statement of financial position as at 31 December 2022, the separate and consolidated statement of profit or loss and other comprehensive income, the separate and consolidated statement of changes in shareholders' equity and the separate and consolidated statement of cash flows for the year then ended, and notes to the separate and consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Parent Company and the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements* section of our report. We are independent of the Parent Company and the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the separate and consolidated financial statements in the Sultanate of Oman, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The separate and consolidated financial statements of the Parent Company and the Group for the year ended 31 December 2021 were audited by another auditor, who expressed an unmodified opinion on those statements on 13 March 2022.

Other Information

Management is responsible for the other information which comprises Vision, Mission and Goals of the Company, the ESG, Diversity and Integration, the Chairman's message, the Company Organisation and Management report, the Global Economy, the Global Stock Market Performance, the Arab Stock Market Performance, the Omani Economy, the Muscat Stock Exchange Performance but does not include the separate and consolidated financial statements and our auditor's report thereon. The above reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the separate and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Report on the Audit of Separate and Consolidated Financial Statements

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the other information, if we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with IFRSs and their preparation in compliance with the applicable provisions of the Commercial Companies Law and Regulations of the Sultanate of Oman, and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, management is responsible for assessing the Parent Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Parent Company or the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Parent Company's and the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Parent Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Parent Company or the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Further, as required by the applicable provisions of the Commercial Companies Law of the Sultanate of Oman and the Ministerial Decision 146/2021, we report that:

- we have obtained all the information and explanations we considered necessary for the purposes of our audit;
- the Parent Company has maintained accounting records and the financial statements are in agreement therewith;
- the financial information included in the Board of Directors' report is consistent with the books of accounts of the Parent Company;
- based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Parent Company has contravened during the year ended 31 December 2022 any of the applicable provisions of the Commercial Companies Law of the Sultanate of Oman or of its Articles of Association which would materially affect its financial performance and/or its financial position as at 31 December 2022.

BRO
Muscat
16 March 2023



Manvinder Singh
Partner

Separate and consolidated statement of financial position

as at 31 December 2022

	Notes	Group 2022	Parent Company 2022	Group 2021	Parent Company 2021
ASSETS					
Non-current assets					
Property and equipment	6	4,165,077	2,674,144	4,582,049	3,043,334
Investment property	6	326,262	326,262	-	-
Right-of-use asset	7	3,464	-	6,928	-
Investment in a subsidiary	8	-	3,400,739	-	2,210,289
Investments at amortised cost	9	-	-	77,308	-
Term deposit	10	13,965,079	4,000,000	12,494,495	3,000,000
Intangible assets	11	10,388,672	10,362,782	10,505,754	10,453,881
Contribution in Settlement Default Fund		465,582	216,254	448,727	210,000
Total non-current assets		29,314,136	20,980,181	28,115,261	18,917,504
Current assets					
Trade and other receivables	12	571,462	309,916	277,750	137,676
Term deposits	10	1,864,107	1,000,000	1,374,869	1,000,000
Cash and bank balances	13	4,096,181	3,057,286	6,837,607	5,725,512
Total current assets		6,531,750	4,367,202	8,490,226	6,863,188
Total assets		35,845,886	25,347,383	36,605,487	25,780,692
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	14	15,000,000	15,000,000	500,000	500,000
Advance against share capital	14	-	-	14,500,000	14,500,000
Legal reserve	14	608,220	287,319	216,137	216,137
Development reserve	14	288,810	-	-	-
Retained earnings		7,068,676	2,585,871	6,680,874	1,945,235
Equity attributable to the shareholders of the Parent Company		22,965,706	17,873,190	21,897,011	17,161,372
Non-controlling interest		2,138,929	-	2,991,828	-
Total equity		25,104,635	17,873,190	24,888,839	17,161,372
Non-current liabilities					
Employees' end of service benefits	15	249,378	118,707	203,450	77,144
Bonds management fees	16	445,902	-	661,827	-
Payables and accruals	17	3,290,166	3,290,166	4,178,604	4,178,604
Lease liabilities	7	-	-	3,345	-
Deferred tax liability	24	151,415	150,395	124,760	118,323
Total non-current liabilities		4,136,861	3,559,268	5,171,986	4,374,071
Current liabilities					
Payables and accruals	17	5,952,441	3,790,294	5,702,912	3,943,554
Bonds management fees	16	215,925	-	256,354	-
Lease liabilities	7	3,200	-	3,291	-
Income tax payable	24	432,824	124,631	582,105	301,695
Total current liabilities		6,604,390	3,914,925	6,544,662	4,245,249
Total liabilities		10,741,251	7,474,193	11,716,648	8,619,320
Total equity and liabilities		35,845,886	25,347,383	36,605,487	25,780,692
Fudiciary accounts	27	28,825,094	-	2,944,497	-
Net assets value per share	29	1.674	1.192	1.659	1.144

These separate and consolidated financial statements, as set out on pages 4 to 39, were approved and authorised for issue by the Board of Directors on 13 March 2023 and signed on their behalf by:

Chairman

Director

Separate and consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2022

(Expressed in Omani Riyal)

	Notes	Parent		Group	Company
		Group	Company	For the period from 4 March 2021 to 31 December 2021	For the period from 4 March 2021 to 31 December 2021
		Year ended 31 December 2022	Year ended 31 December 2022		
Income					
Comission income	18	2,343,062	2,343,062	1,199,888	1,199,888
Membership and subscription fees	18	2,707,797	39,800	2,005,878	29,638
Bonds management fees	16	256,354	-	188,624	-
Unrealised gain on Settlement Default Fund		23,110	12,509	6,801	-
Fee for use of MSX information		113,505	113,505	83,410	83,410
Bonds listing fee	19	-	-	150,000	150,000
Rental income		284,512	276,892	3,415	-
Other income	21	1,242,877	312,782	1,213,869	680,410
Total Income		6,971,217	3,098,550	4,851,885	2,143,346
Expenses					
Salaries and related cost	22	(3,490,830)	(1,932,014)	(2,848,002)	(1,510,610)
General and administrative expenses	23	(2,071,716)	(1,087,957)	(1,140,564)	(525,415)
Depreciation expense	6	(334,234)	(100,664)	(379,949)	(108,903)
Amortisation on right of use assets	7	(3,464)	-	(3,465)	-
Amortisation on intangible assets	11	(121,082)	(95,099)	(74,679)	(55,672)
Total expenses		(6,021,326)	(3,215,734)	(4,446,659)	(2,200,600)
Operating profit / (loss) for the year		949,891	(117,184)	405,226	(57,254)
Interest on deferred payments	17	(108,180)	(108,180)	-	-
Interest income	20	1,261,492	331,362	858,210	275,570
Dividend income	8	-	684,271	-	240,002
(Loss) / gain on business combination	28	(213,098)	-	6,536,890	2,193,511
Profit before tax		1,890,105	790,269	7,800,326	2,651,829
Income tax	24	(381,227)	(78,451)	(582,619)	(420,018)
Net profit and total comprehensive income for the year		1,508,878	711,818	7,217,707	2,231,811
Earnings per share - basic and diluted	30	0.101	0.047	0.481	0.149
Total comprehensive income for the year attributable to :					
Owner of the Parent Company		1,168,001	711,818	6,910,378	2,231,811
Non-controlling interests		340,877	-	307,329	-
		1,508,878	711,818	7,217,707	2,231,811

Separate and consolidated statement of changes in shareholders' equity for the year ended 31 December 2022

(Expressed in Omani Riyal)

Group	Share capital	Advance against share capital	Development reserve	Legal reserve	Retained earnings	Non-controlling interest		Total
						Total	Interest	
At 4 March 2021	-	-	-	-	-	-	-	-
Issue of Share Capital	500,000	14,500,000	-	-	-	15,000,000	-	15,000,000
Transactions with shareholders of the Parent Company	500,000	14,500,000	-	-	-	15,000,000	-	15,000,000
Non-controlling interest of acquired subsidiary (Note 28)	-	-	-	-	-	-	3,500,919	3,500,919
Adjustment to NCI related to additional stake acquired during the period	-	-	-	-	(13,367)	(13,367)	(656,422)	(669,789)
Transactions with non-controlling interest	-	-	-	-	(13,367)	(13,367)	2,844,497	2,831,130
Profit for the period	-	-	-	-	6,910,378	6,910,378	307,329	7,217,707
Transferred to legal reserve	-	-	-	216,137	(216,137)	-	-	-
Dividends paid by subsidiary	-	-	-	-	-	-	(159,998)	(159,998)
At 31 December 2021	500,000	14,500,000	-	216,137	6,680,874	21,897,011	2,991,828	24,888,839
At 1 January 2022	500,000	14,500,000	-	216,137	6,680,874	21,897,011	2,991,828	24,888,839
Share capital registered	14,500,000	(14,500,000)	-	-	-	-	-	-
Transactions with shareholders of the Parent Company	14,500,000	(14,500,000)	-	-	-	-	-	-
Adjustment of Non-controlling interest of acquired subsidiary (Note 28)	-	-	-	-	-	213,098	213,098	-
Adjustment to NCI related to additional stake acquired during the year	-	-	-	-	(99,306)	(99,306)	(1,091,144)	(1,190,450)
Transactions with non-controlling interest	-	-	-	-	(99,306)	(99,306)	(878,046)	(977,352)
Profit for the year	-	-	-	-	(288,810)	1,168,001	340,877	1,508,878
Transferred to legal reserve	-	-	-	392,083	(392,083)	-	-	-
Transferred to development reserve	-	-	288,810	-	(288,810)	-	-	-
Dividend paid by subsidiary	-	-	-	-	-	-	(315,730)	(315,730)
At 31 December 2022	15,000,000	-	288,810	608,220	7,068,676	22,965,706	2,138,929	25,104,635

Separate and consolidated statement of changes in shareholders' equity

for the year ended 31 December 2022

(Expressed in Omani Riyal)

Parent	Share capital	Advance against share capital	Legal reserve	Retained earnings	Total
At 4 March 2021	-	-	-	-	-
Transactions with shareholders of the Parent company					
Issue of share capital	500,000	14,500,000	-	-	15,000,000
Net profit and total comprehensive income for the year	-	-	-	2,161,372	2,161,372
Transferred to legal reserve	-	-	216,137	(216,137)	-
At 31 December 2021	500,000	14,500,000	216,137	1,945,235	17,161,372
At 1 January 2022	500,000	14,500,000	216,137	1,945,235	17,161,372
Share capital registered	14,500,000	(14,500,000)	-	-	-
Net profit and total comprehensive income for the year	-	-	-	711,818	711,818
Transferred to legal reserve	-	-	71,182	(71,182)	-
At 31 December 2022	15,000,000	-	287,319	2,585,871	17,873,190

Separate and consolidated statement of cash flows

for the year ended 31 December 2022

(Expressed in Omani Riyal)

	Notes	Year ended 31 December 2022	Year ended 31 December 2022	Year ended 31 December 2021	Year ended 31 December 2021
Cash flows from operating activities					
Profit before tax for the year		1,890,105	790,269	7,800,326	2,581,390
Adjustments for:					
Dividend Income		-	(684,271)	-	(240,002)
Interest Income	20	(1,261,492)	(331,362)	(858,210)	(275,570)
Provision for expected credit losses	12	21,640	6,460	25,015	7,640
Depreciation expense	6	334,234	100,664	379,949	108,903
Amortisation on right of use assets	7	3,464	-	3,465	-
Amortisation on intangible assets	11	121,082	95,099	74,679	55,672
Loss / (gain) on business combination	28	213,098	-	(6,536,890)	(2,193,511)
Interest income on deferred payments	21	-	-	(600,306)	(600,306)
Provision for employees' end of service benefits	15	50,414	41,563	81,008	3,791
Unrealised gain on Settlement Default Fund		(23,110)	(12,509)	-	-
Gain on disposal of property and equipment		-	-	107	107
		1,349,435	5,913	369,143	(551,886)
Working capital changes					
Trade and other receivables		(315,352)	(178,700)	227,829	17,210
Bonds management fee	16	(256,354)	-	(38,624)	-
Payables and accruals		(350,522)	(258,886)	12,611,906	10,402,864
Cash generated from / (used in) operations		427,207	(431,673)	13,170,254	9,868,188
Employees' end of services paid	15	(4,486)	-	(700,901)	(30,205)
Net cash generated from / (used in) operating activities		422,721	(431,673)	12,469,353	9,837,983
Cash flows from investing activities					
Additions to property and equipment	6	(271,767)	(61,736)	(2,868,019)	(40,939)
Proceeds from disposal of property and equipment		-	-	(22,277)	76
Additions to intangible assets	11	-	-	(10,102,596)	(10,102,596)
Amount paid to Capital Market Authority	17	(1,000,000)	(1,000,000)	(5,000,000)	(5,000,000)
Investment in a subsidiary		(1,190,450)	(1,190,450)	(669,789)	(669,789)
Interest received		1,261,492	331,362	858,210	275,570
Dividend received		-	684,271	-	240,002
Term deposits placed	10	(1,959,822)	(1,000,000)	(4,561,376)	(4,000,000)
Contribution to settlement management fund		-	-	(208,288)	(210,000)
Purchase of amortised costs investments		-	-	(605)	-
Net cash used in investing activities		(3,160,547)	(2,236,553)	(22,574,740)	(19,507,676)
Cash flows from financing activities					
Receipt of advance against share capital		-	-	14,500,000	14,500,000
Payment of lease liabilities	7	(3,600)	-	(3,600)	-
Net cash (used in) / from financing activities		(3,600)	-	14,496,400	14,500,000
Net change in cash and cash equivalents		(2,741,426)	(2,668,226)	4,391,013	4,830,307
Cash and cash equivalents at the beginning of the year		6,837,607	5,725,512	2,446,594	895,205
Cash and cash equivalents at the end of the year	13	4,096,181	3,057,286	6,837,607	5,725,512

The notes and other explanatory information on pages 90 to 121 form an integral part of these financial statements.

Independent auditor's report is on pages 82 to 84.

Notes to the separate and consolidated financial statements

for the year ended 31 December 2022

(Expressed in Omani Riyal)

1 Legal status and activities

Muscat Stock Exchange SAOC ("the Parent Company" or "MSX") is a closed Omani joint stock company established on 4 March 2021. MSX is owned by the "Oman Investment Authority". The registered address of MSX is P.O. Box 3265, Postal Code 112, Sultanate of Oman.

The principal activities of the Parent Company is the settlement of transactions in securities and publication of information related to the activities of the stock market in accordance with the provision of the law.

Details of the Subsidiary as follows:

Name of the Subsidiary	Principal Activity	Proportion of Ownership	
		2022	2021
Muscat Clearing and Depository Company SAOC	<ul style="list-style-type: none"> - Maintenance of shareholder-s register of public joint stock companies, investment funds and other securities listed on the MSX. - Depository and registration of all buying and selling contracts between shareholders and owners of other securities. - Issurance of owership cdrtificates. - Providing information in respect of shareholders and owners of other securities. 	79.88%	67.75%

The consolidated financial statements include the results of operations and financial position of the Parent Company and the Subsidiary (together "the Group").

1.1 Concession agreement

In accordance with the Concession Agreement (the "Agreement") between the Subsidiary and the Capital Market Authority (CMA), dated 19 September 2000, and effective from 1 January 1999, the Subsidiary is required to carry out services relating to depository and securities registration and maintenance of shareholders registers.

The significant terms and conditions of the Agreement are as follows:

The period of the Agreement is 25 years from 1 January 1999. The Subsidiary is required to submit to Capital Market Authority an application for renewal of the Agreement at least one year before the expiry date of the Agreement.

The CMA agrees to provide the Subsidiary the exclusive rights of providing the services set out in Note 1 to these separate and consolidated financial statements. The Subsidiary undertakes not to conduct any commercial operations other than the agreed activities without obtaining approval of CMA.

The Subsidiary undertakes not to change the composition of its shareholders without obtaining approval of CMA. The Subsidiary undertakes not to cease its operations or liquidate its business during the period of the Agreement.

The Subsidiary is entitled to receive annually from all joint stock companies and investment funds listed on MSX a fixed percentage of their issued share capital capped to certain amount (the "subscription fees") and fixed amounts from all newly listed joint stock companies and investment funds (the "membership fees").

Under the terms of the Agreement, the Subsidiary had paid consideration to CMA amounting to RO 650,000 and was recognized as an intangible asset (Note 11).

2 Basis of preparation

Statement of compliance

The separate and consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as promulgated by the International Accounting Standards Board ("IASB"), interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and the requirements of the Commercial Companies Law and Regulations of the Sultanate of Oman.

Basis of preparation

The separate and consolidated financial statements have been prepared under the historical cost convention and going concern assumption, modified for certain assets and liabilities which are stated at their fair values as required by the IFRS. The preparation of separate and consolidated financial statements is in conformity with IFRS that requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Parent Company's and the Group's accounting policies.

Functional currencies

The separate and consolidated financial statements are presented in Omani Rials (RO), which is the Parent Company's and the Group's functional and reporting currency.

Notes to the separate and consolidated financial statements

for the year ended 31 December 2022

(Expressed in Omani Riyal)

3 Adoption of new and revised IFRS

a) Standards, amendments and interpretations effective and adopted in the year 2022

The following new standards, amendment to existing standards or interpretations to published standards are mandatory for the first-time and have been adopted in the preparation of the separate and consolidated financial statements for the year ended 31 December 2022:

Standard or Interpretation	Title	Effective for annual periods beginning on or after
Amendments to IAS 37	Onerous Contracts: Cost of Fulfilling a Contract	1 January 2022
Amendments to IAS 16	Property, Plant and Equipment: Proceeds Before Intended Use	1 January 2022
Amendments to IFRS 1, IFRS 9 and IAS 41	Annual Improvements to IFRS Standards 2018-2020	1 January 2022
Amendments to IFRS 3	References to Conceptual Framework	1 January 2022

Amendments to IAS 37: Onerous Contracts: Cost of Fulfilling a Contract

IAS 37 defines an onerous contract as a contract in which the unavoidable costs (costs that the Parent Company and the Group have committed to pursuant to the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments to IAS 37.68A clarify, that the costs relating directly to the contract consist of both:

- The incremental costs of fulfilling that contract- e.g. direct labour and material; and
- An allocation of other costs that relate directly to fulfilling contracts: e.g. Allocation of depreciation charge on property, plant and equipment used in fulfilling the contract.

This amendment had no impact on separate and the consolidated financial statements of the Parent Company and the Group as there were no onerous contracts.

Amendments to IAS 16: Property, Plant and Equipment: Proceeds Before Intended Use

The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of property, plant and equipment, any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced during the testing phase of a manufacturing facility after it is being constructed but before start of commercial production). The proceeds from selling such samples, together with the costs of producing them, are now recognised in profit or loss.

This amendment had no impact on separate and the consolidated financial statements of the Parent Company and the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

Annual Improvements to IFRS Standards 2018-2020

- Amendments to IFRS 1: Subsidiary as a First-time Adopter
- IFRS 9 Financial Instruments - Fees in the '10 per cent' Test for Derecognition of Financial liabilities
- IAS 41 Agriculture - Taxation in Fair Value Measurements

These amendments had no impact on the separate and consolidated financial statements of the Parent Company and the Group.

Amendments to IFRS 3: References to Conceptual Framework

In May 2020, the IASB issued amendments to IFRS 3, which update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

This amendment had no impact on the separate and consolidated financial statements of the Parent Company and the Group.

Standards, amendments and interpretations issued but not yet effective in the year 2022

The following new/amended accounting standards and interpretations have been issued, but are not mandatory and have not been adopted in preparing the financial statements for the year ended 31 December 2022:

Notes to the separate and consolidated financial statements

for the year ended 31 December 2022

(Expressed in Omani Riyal)

3 Adoption of new and revised IFRS (continued)

Standard or Interpretation	Title	Effective for annual periods beginning on or after
IFRS 17	Insurance Contracts	1 January 2023
Amendments to IAS 1	Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8	Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	1 January 2023
Amendments to IFRS 16	Leases: Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to IAS 1	Non-current Liabilities with Covenants	1 January 2024

The Parent Company and the Group are currently assessing the impact of these new accounting standards and amendments. The Parent Company and the Group do not expect these amendments and standards issued but not yet effective, to have a material impact on the separate and consolidated financial statements.

4 Summary of significant accounting policies

A summary of the significant accounting policies adopted in the preparation of these separate and consolidated financial statements is set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1) Basis of consolidation

Subsidiary is an entity controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the Subsidiary are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee.

The financial statements of the subsidiary are prepared for the same reporting period as MSX, using consistent accounting policies. The accounting policies of the subsidiary has been changed to conform to the accounting policies of the Group, where required.

All intra-group balances, transactions and unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Where the ownership of a subsidiary is less than 100% and therefore, a non-controlling interest (NCI) exists. NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognizes the assets (including goodwill) and liabilities of the subsidiary, carrying amount of any NCI, cumulative translation differences recognized in equity, and recognizes fair value of consideration received, any investment retained, profit or loss in the consolidated statement of profit or loss, and reclassifies MSX's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

The assets, liabilities, income and expenses of a Subsidiary are consolidated on a line by line basis and the carrying value of investments in a Subsidiary held is eliminated against the Subsidiary's shareholders' equity in the consolidated financial statements.

4.2) Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year-end exchange rates are recognised in profit or loss.

All items and transactions with a transaction currency other than the Rial Omani were translated into the reporting currency. Assets and liabilities have been translated into the Rial Omani at the closing rate at the reporting date.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Notes to the separate and consolidated financial statements

for the year ended 31 December 2022

(Expressed in Omani Riyal)

4 Summary of significant accounting policies (continued)

4.3) Income recognition

Income of the Group is derived from activities of settlement of transactions in securities and publication of information related to the activities of MSX in accordance with the provisions of the law. Further, it is also engaged in maintenance of shareholders' registers of public joint stock companies, investment funds and other securities listed on MSX, issuance of ownership certificates, depository and registration of all buying and selling contracts between shareholders and owners of other securities.

The Group uses the following 5 steps model for income recognition.

1. Identifying a contract with a customer;
2. Identifying performance obligation;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligation; and
5. Recognising revenue when/as performance obligations are satisfied.

The Group often enters into transactions involving a range of the services. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Income is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Commission Income

Commission income is recognised as income on an accrual basis at a point in time.

Bonds listing fee

Bonds listing fees on Government Bonds are recognised in the separate and consolidated statement of profit or loss at point in time, i.e. when bonds has been listed.

Bonds management fee

Bonds management fees on Government Bonds are deferred and recognised in the separate and consolidated statement of profit or loss over the term of the related bond on a straight line basis.

Membership and subscription fee

Membership and subscription fee recognised on the basis of invoice at the beginning of the each year on the basis of updated list of listed companies

Support and control service fee

MSX made a service level agreement with Subsidiary to perform the internal Audit and Risk & Compliance functions.

4.4) Interest income

Interest revenue is recognised as the interest accrues using the Effective Interest Method (EIR).

4.5) Dividend income

Dividend income is recognised when the right to receive the dividend is established.

4.6) Financial instruments

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

The Group determines the classification of its financial assets at initial recognition. The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

Classification

The financial assets are classified in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
- those to be measured at amortised cost.
- For assets measured at fair value, gains and losses are recorded in the Group's profit or loss or other comprehensive income.

Notes to the separate and consolidated financial statements

for the year ended 31 December 2022

(Expressed in Omani Riyal)

4 Summary of significant accounting policies (continued)

4.6) Financial instruments (continued)

Financial assets (continued)

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss as incurred.

The Group has classified fair value measurements on a recurring basis using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies debt instruments at amortised cost based on the below:

- the asset is held within a business model with the objective of collecting the contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective Interest Rate (EIR).

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the assets expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of the transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Impairment of financial assets

The Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure that are debt instruments and are measured at amortised cost e.g., loans, deposits and trade receivables.

ECL is the probability-weighted estimate of credit losses (i.e., present value of all cash shortfalls) over the expected life of the financial asset. A cash shortfall is the difference between the cash flows that are due in accordance with the contract and the cash flows that the Group expects to receive. The ECL considers the amount and timing of payments and hence a credit loss arises even if the Group expects to receive the payment in full but later than when contractually due. The ECL method requires assessing credit risk, default and timing of collection since initial recognition. This requires recognising allowance for ECL in profit or loss even for receivables that are newly originated or acquired.

Impairment of financial assets is measured as either 12 months ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition. '12 months ECL' represent the ECL resulting from default events that are possible within 12 months after the reporting date. 'Lifetime ECL' represent the ECL that result from all possible default events over the expected life of the financial asset.

Trade receivables are of a short duration, normally less than 12 months and hence the loss allowance measured as lifetime ECL does not differ from that measured as 12 months ECL. The Group uses the practical expedient in IFRS 9 for measuring ECL for trade receivables using a provisioning matrix based on ageing of the trade receivables.

The Group uses historical loss experience and derived loss rates and adjusts the historical loss rates to reflect the information about current conditions and reasonable and supportable forecasts of future economic conditions. The loss rates differ based on the ageing of the amounts that are past due and are generally higher for those with the higher ageing.

Notes to the separate and consolidated financial statements

for the year ended 31 December 2022

(Expressed in Omani Riyal)

4.6) Financial instruments (continued)

Financial assets (continued)

Income recognition

Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets, interest income is recognised using the EIR, which is the rate that discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original EIR of the instrument and continues unwinding the discount as interest income. Interest income on impaired financial asset is recognised using the original EIR.

Financial liabilities

Classification

The financial liabilities are classified in the following measurement categories:

- a) those to be measured as financial liabilities at fair value through profit or loss; and
- b) those to be measured at amortised cost.

Measurement

All financial liabilities are recognised initially at fair value. Financial liabilities accounted at amortised cost like borrowings are accounted at the fair value determined based on the EIR method after considering the directly attributable transaction costs.

The Group classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, and subsequently measured at fair value.

The EIR method calculates the amortised cost of a debt instrument by allocating interest charged over the relevant EIR period. The EIR is the rate that exactly discounts estimated future cash outflows (including all fees and points paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. This category generally applies to trade and other payables and lease liabilities.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

4.7) Property and equipment

Property and equipment are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Group. Property and equipment are subsequently measured using the cost model, cost less accumulated depreciation and impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful lives of assets as follows:

	<u>Years</u>
Building	25
Decoration	5
Office, furniture and equipment	3-5
Motor vehicles	4
Computer equipment	5-7
Leasehold improvements	5

Land is not depreciated as it has indefinite useful life.

The depreciation method, assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Where the carrying amount of an asset is greater than its estimated recoverable amount it is written down immediately to its recoverable amount.

Gains or losses arising on the disposal of property and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in the separate and consolidated statement of profit or loss within other income or other expenses.

Capital work-in-progress is not depreciated until it is transferred into one of the above categories at the time when it is ready for use.

Notes to the separate and consolidated financial statements

for the year ended 31 December 2022

(Expressed in Omani Riyal)

4 Summary of significant accounting policies (continued)

4.8) Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured initially at its cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day to day servicing of an investment property. Subsequent to initial recognition, investment properties are depreciated on an annual basis reflecting the useful lives of the assets.

Depreciation has been calculated from the date of

Description	Useful lives
Building	25 years

4.9) Impairment testing

Property and equipment are subject to impairment testing. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. The management of the Group has reviewed the assets of the Group and is of the opinion that no impairment has occurred to any of the Group's property and equipment.

Individual assets or cash-generating units with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

4.10) Intangible assets

Intangible assets are acquired assets that are stated at cost less accumulated amortisation and accumulated impairment loss and are amortised on a straight-line basis over their estimated useful lives as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date and adjusted for permanent impairment where it is considered necessary.

- Cost relating to trading system are capitalised and amortised on a straight-line basis over their estimated useful lives of 10 years.
- Cost relating to operating system are capitalised and amortised on a straight-line basis over their estimated useful lives of 3 years.
- Cost relating to Concession agreement right is being amortised over its useful life of 25 years (Note 1.1).
- Cost relating to MSX license are capitalised and not amortised as it has indefinite useful life.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

4.11) Income tax

Income tax comprises of current tax and deferred tax. Income tax is recognized in the separate and consolidated statement of profit or loss or other comprehensive income except to the extent that it relates to items recognised directly to equity.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. In addition, tax losses available to be carried forward as well as other income tax credits are assessed for recognition as deferred tax assets.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the reporting date. Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income.

4.12) Cash and cash equivalent

Cash and cash equivalents comprise of cash in hand, bank balances, and deposits having original maturity of less than 3 months.

Notes to the separate and consolidated financial statements

for the year ended 31 December 2022

(Expressed in Omani Riyal)

4 Summary of significant accounting policies (continued)

4.13) Employees' end of service benefits

The Group provides contributions for Omani employees to the Civil Service Employees' Pension Fund Scheme ("the Scheme"), a defined contribution retirement plan. These contributions are recognised as an expense in the separate and consolidated statement of profit or loss as incurred.

Accrual for non-Omani and Omani employee terminal benefits under an unfunded defined benefit retirement plan, is made in accordance with Omani Labor Laws and the Group's employees' affairs regulation respectively and is calculated by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods.

4.14) Director's remuneration

The total remuneration paid to directors comprising sitting fees and remuneration is in accordance with the Commercial Companies Law and Regulations of the Sultanate of Oman, and the Articles of Association of the Group's respective entity. Executive directors, if any, apart from their contractual benefits and performance linked pay are not eligible for any sitting fees or fixed remuneration.

4.15) Leases

For any new contracts entered into, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use the Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Right-of-use-assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

Short-term leases and leases of low-value-asset

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

4.16) Fiduciary assets

Assets held in trust beneficially for and on behalf of third parties, or in a fiduciary capacity are not treated as assets of the Group and accordingly are not included in these financial statements.

Notes to the separate and consolidated financial statements

for the year ended 31 December 2022

(Expressed in Omani Riyal)

4 Summary of significant accounting policies (continued)

4.17) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic and diluted EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the year.

4.18) Impairment of non-financial assets

The carrying amount of the Group's assets or its cash generating unit, other than financial assets, are reviewed at each statement of financial position date to determine whether there is any indication of impairment. A cash generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other asset and groups. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset or a cash generating unit is the greater of its value in use or fair value less costs to sell. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses are reversed only if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

5 Significant management judgment in applying accounting policies and estimation uncertainty

When preparing the separate and consolidated financial statements management makes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

Going concern

The management of the Group reviews the financial position of the Group on a periodical basis and assesses the requirement of any additional funding to meet the working capital requirements and estimated funds required to meet the liabilities as and when they become due.

Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

Fair value measurements

A number of assets and liabilities included in the Group's financial statements require measurement at, and/or disclosure of, fair value. The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. The classification of an item into the level 1, level 2 and level 3 hierarchy is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date. At 31 December 2022, management assesses that the useful lives represent the expected utility of the assets to the Group.

Measurement of the expected credit loss allowance

The loss allowance for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

Income tax

Uncertainties exist with respect to interpretation of the tax regulations and the amount of timing of future taxable income. Given the wide range of business relationship and nature of existing contractual agreements, differences arising between the actual result and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimate, for possible consequences of the finalisation of the tax assessment of the group. The amount of such provision is based on various factors, such as experience of previous assessment and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Notes to the separate and consolidated financial statements

for the year ended 31 December 2022

(Expressed in Omani Riyal)

6. Property and equipment

(a) The movement in property and equipment is as set out below:

Group

Year 2022	Land	Building	Deco- ration equipment	Office, furniture and equipment	Motor vehicles	Computer equipment	Leasehold Improve- ments	Capital work-in- progress	Total
Cost									
At 31 December 2021	2,329,542	1,702,931	183,770	371,824	53,451	5,749,866	4,009	139,979	10,535,372
Additions during the year	-	-	-	14,583	8,730	92,551	1,953	153,950	271,767
Transfer during the year	-	-	-	-	-	19,473	-	(19,473)	-
Disposal during the year	-	-	-	(5,295)	(7,900)	(309,644)	-	(26,547)	(349,386)
Reclassified to investment property	-	(341,040)	-	-	-	-	-	-	(341,040)
At 31 December 2022	2,329,542	1,361,891	183,770	381,112	54,281	5,552,246	5,962	247,909	10,116,713
Accumulated depreciation									
At 31 December 2021	-	483,201	161,704	349,216	50,518	4,904,675	4,009	-	5,953,323
Reclassified to investment property	-	(1,137)	-	-	-	-	-	-	(1,137)
Charge for the year	-	54,446	14,882	10,500	3,397	237,243	124	-	320,592
Disposal during the year	-	-	-	(5,295)	(7,900)	(307,948)	-	-	(321,143)
At 31 December 2022	-	536,511	176,586	354,421	46,015	4,833,970	4,133	-	5,951,636
Net book amount									
At 31 December 2022	2,329,542	825,380	7,184	26,691	8,266	718,276	1,829	247,909	4,165,077

Notes to the separate and consolidated financial statements

for the year ended 31 December 2022

(Expressed in Omani Riyal)

6. Property and equipment (continued)

(a) The movement in property and equipment is as set out below:

Group

Year 2021	Land	Building	Deco- ration	Office, furniture and equipment	Motor vehicles	Computer equipment	Leasehold Improve- ments	Capital work-in- progress	Total
Cost									
Acquired in business combination (Note 28)	154,542	1,101,931	183,400	369,980	80,581	5,447,697	4,009	437,589	7,779,729
Additions during the year	2,175,000	601,000	370	9,253	-	42,215	-	40,181	2,868,019
Transfers	-	-	-	927	-	333,754	-	(334,681)	-
Disposals during the period	-	-	-	(8,336)	(27,130)	(73,800)	-	(3,110)	(112,376)
At 31 December 2021	2,329,542	1,702,931	183,770	371,824	53,451	5,749,866	4,009	139,979	10,535,372
Accumulated depreciation									
At 4 March 2021	-	-	-	-	-	-	-	-	-
Acquired in business combination (Note 28)	-	450,949	150,397	350,560	60,610	4,650,840	4,009	-	5,667,365
Charge for the period	-	32,252	11,307	6,992	1,946	327,452	-	-	379,949
Related to disposals	-	-	-	(8,336)	(12,038)	(73,617)	-	-	(93,991)
At 31 December 2021	-	483,201	161,704	349,216	50,518	4,904,675	4,009	-	5,953,323
Net book amount									
At 31 December 2021	2,329,542	1,219,730	22,066	22,608	2,933	845,191	-	139,979	4,582,049

i) Capital work-in-progress represents the expenditure incurred for software development which is expected to be completed during the year 2023.

Notes to the separate and consolidated financial statements

for the year ended 31 December 2022

(Expressed in Omani Riyal)

6. Property and equipment (continued)

(b) The movement in property and equipment is as set out below:

Parent Company

Year 2022	Land	Building	Office, furniture and equipment	Motor Vehicles	Computer equipment	Leasehold Improve- ments	Capital work-in- progress	Total
Cost								
At 31 December 2021	2,175,000	600,000	71,233	31,901	2,410,827	4,009	14,266	5,307,236
Additions during the year	-	-	14,583	-	36,156	1,953	9,044	61,736
Transfer during the year	-	-	-	-	13,895	-	(13,895)	-
Transfer to intangible during the year	-	-	-	-	-	-	(4,000)	(4,000)
Reclassified to investment property	-	(341,040)	-	-	-	-	-	(341,040)
At 31 December 2022	2,175,000	258,960	85,816	31,901	2,460,878	5,962	5,415	5,023,932
Accumulated depreciation								
At 31 December 2021	-	2,000	59,906	28,968	2,169,019	4,009	-	2,263,902
Reclassified to investment property	-	(1,137)	-	-	-	-	-	(1,137)
Charge for the year	-	10,358	4,234	2,933	69,373	124	-	87,022
At 31 December 2022	-	11,222	64,140	31,901	2,238,392	4,133	-	2,349,788
Net book amount								
At 31 December 2022	2,175,000	247,738	21,676	-	222,486	1,829	5,415	2,674,144

The Company assessed the value of self-use building at cost of RO 258,960 based on square meter occupied, remaining amount of RO 341,040 transferred to investment property.

Notes to the separate and consolidated financial statements

for the year ended 31 December 2022

(Expressed in Omani Riyal)

6. Property and equipment (continued)

(b) The movement in property and equipment is as set out below:

Parent Company

Year 2022	Land	Building	Office, furniture and equipment	Motor Vehicles	Computer equipment	Leasehold Improvements	Capital work-in-progress	Total Total
Cost								
Acquired in business combination (Note 28)	-	-	67,634	31,901	2,455,933	4,009	6,623	2,566,100
Additions during the period	2,175,000	600,000	7,439	-	25,857	-	7,643	2,815,939
Disposals during the period	-	-	(3,840)	-	(70,963)	-	-	(74,803)
At 31 December 2021	2,175,000	600,000	71,233	31,901	2,410,827	4,009	14,266	5,307,236
Accumulated depreciation								
At 4 March 2021	-	-	-	-	-	-	-	-
Acquired in business combination (Note 28)								
Acquired in business combination (Note 28)	-	-	61,802	25,667	2,138,173	3,977	-	2,229,619
Charge for the period	-	2,000	1,944	3,301	101,626	32	-	108,903
Disposals during the period	-	-	(3,840)	-	(70,780)	-	-	(74,620)
At 31 December 2021	-	2,000	59,906	28,968	2,169,019	4,009	-	2,263,902
Net book amount								
At 31 December 2021	2,175,000	598,000	11,327	2,933	241,808	-	14,266	3,043,334

i) Capital work-in-progress represents the expenditure incurred for software development which is expected to be completed during the year 2023.

Notes to the separate and consolidated financial statements

for the year ended 31 December 2022

(Expressed in Omani Riyal)

6 Property and equipment (continued)

(c) Investment property

Group and Parent Company	2022
Cost	
Reclassified from property and equipment	341,040
Carrying value at 31 December	341,040
Accumulated depreciation	
Reclassified from property and equipment	1,137
Charge for the year	13,642
At 31 December 2022	14,778
Net book amount	326,262

Investment properties represents the portion of building leased to CMA (note 6(b)). The fair value of investment property is RO 324,000 valued by independent professional qualified valuer on 20 October 2021, on open market basis (level 3, fair values).

7 Right-of-use asset and lease liabilities

The Group has office space as right-of-use asset. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the consolidated statement of financial position as a right-of-use asset and a lease liability.

a) Right of use assets

Group	2022	2021
Opening	6,928	-
Acquired in business combination (Note 28)	-	10,393
Amortisation	(3,464)	(3,465)
Carrying value at 31 December	3,464	6,928

b) Lease liabilities

Group

The movement in lease liabilities during the year against the right-of-use assets is mentioned below:

At 1 January	6,636	9,927
Paid during the year	(3,600)	(3,600)
Interest expense during the year	164	309
At 31 December	3,200	6,636

Lease liabilities recognised at 31 December of which are:

Current portion	3,200	3,291
Non-Current portion	-	3,345
	3,200	6,636

The following are the amounts recognised in consolidated statement of profit or loss:

	2022	2021
Amortisation on right-of-use assets (Note 7a)	3,464	3,465
Interest expense on lease liabilities	164	309
	3,628	3,774

Notes to the separate and consolidated financial statements

for the year ended 31 December 2022

(Expressed in Omani Riyal)

8 Investment in a subsidiary

The Parent Company has the following investment in a subsidiary:

	Country of Incorporation	2022	2021
Muscat Clearing and Depository Company SAOC	Sultanate of Oman	79.88%	67.75%

Muscat Clearing and Depository Company SAOC (the "Subsidiary" or "MCD") is registered in Oman as an Omani closed joint stock company. The Subsidiary is primarily engaged in registering and transferring the ownership of securities listed on MSX, maintenance of shareholders' registers of joint stock companies, investment funds and other securities listed on the Market, depository and registration of all buying and selling contracts between shareholders and owners of other securities, issuance of ownership certificates, validation of restrictions and pledge of shares and other securities and providing information in respect of shareholders and owners of other securities.

	2022	2021
At 1 January	2,210,289	-
Acquired during the year	1,190,450	2,210,289
At 31 December	<u>3,400,739</u>	<u>2,210,289</u>

During the year, the Parent Company received dividend of RO 684,271 (2021: RO 240,002) from the Subsidiary. The Parent Company acquired additional shares in the Subsidiary of RO 1,190,450 with the net book value of RO 1,091,143 and recognised the loss of RO 99,307 in equity.

9 Investments at amortised cost

Group	Maturity Date	Interest rate	2022	2021
Government bonds issue	19-06-22	4.5%	-	75,507
Accrued Interest	-	-	-	1,801
			<u>-</u>	<u>77,308</u>

10 Term deposit

Group	2022	2021
Term deposit	15,829,186	13,869,364
Less: Current portion	(1,864,107)	(1,374,869)
Non-current	<u>13,965,079</u>	<u>12,494,495</u>
Parent Company	2022	2021
Term deposit	5,000,000	4,000,000
Less: Current portion	(1,000,000)	(1,000,000)
Non-current	<u>4,000,000</u>	<u>3,000,000</u>

Term deposits are placed with local commercial banks in Oman and they earn annual interest ranging from 4.5% to 5.20% (2021: 4% to 5.25%)

Notes to the separate and consolidated financial statements

for the year ended 31 December 2022

(Expressed in Omani Riyal)

11 Intangible assets

Group	MSX license	Trading system and license	Concession agreement right	Total
2022				
Cost				
At 1 January 2022	10,000,000	526,113	650,000	11,176,113
Transfer during the year	-	4,000	-	4,000
At 31 December 2022	<u>10,000,000</u>	<u>530,113</u>	<u>650,000</u>	<u>11,180,113</u>
Accumulated amortisation				
At 1 January 2022	-	72,232	598,127	670,359
Charge for the year	-	95,099	25,983	121,082
At 31 December 2022	<u>-</u>	<u>167,331</u>	<u>624,110</u>	<u>791,441</u>
Net book amount	<u>10,000,000</u>	<u>362,782</u>	<u>25,890</u>	<u>10,388,672</u>
Parent				
2022				
Cost				
At 1 January 2022		10,000,000	526,113	10,526,113
Transfer during the year		-	4,000	4,000
At 31 December 2022		<u>10,000,000</u>	<u>530,113</u>	<u>10,530,113</u>
Parent				
2022				
Accumulated amortisation				
At 1 January 2022		-	72,232	72,232
Charge for the year		-	95,099	95,099
At 31 December 2022		<u>-</u>	<u>167,331</u>	<u>167,331</u>
Net book amount		<u>10,000,000</u>	<u>362,782</u>	<u>10,362,782</u>
Group				
2021				
Cost				
Acquired during business combination (Note 28)	-	423,517	650,000	1,073,517
Additions during the period	10,000,000	102,596	-	10,102,596
At 31 December 2021	<u>10,000,000</u>	<u>526,113</u>	<u>650,000</u>	<u>11,176,113</u>
Accumulated amortisation				
Acquired during business combination (Note 28)	-	16,560	579,120	595,680
Charge for the period	-	55,672	19,007	74,679
At 31 December 2021	<u>-</u>	<u>72,232</u>	<u>598,127</u>	<u>670,359</u>
Net book amount	<u>10,000,000</u>	<u>453,881</u>	<u>51,873</u>	<u>10,505,754</u>

Notes to the separate and consolidated financial statements

for the year ended 31 December 2022

(Expressed in Omani Riyal)

11 Intangible assets (continued)

Parent			
2021	MSX license	Trading system and license	Total
Cost			
Acquired during business combination (Note 28)	-	423,517	423,517
Additions during the period	10,000,000	102,596	10,102,596
At 31 December 2021	10,000,000	526,113	10,526,113
Accumulated amortisation			
Acquired during business combination (Note 28)	-	16,560	16,560
Charge for the period	-	55,672	55,672
At 31 December 2021	-	72,232	72,232
Net book amount	10,000,000	453,881	10,453,881

12 Trade and other receivable

Group	2022	2021
Trade receivables	364,675	152,688
less: Allowance for credit losses	(88,178)	(67,538)
	276,497	85,150
Accrued income	58,621	27,306
Employees receivable	9,363	15,474
Prepaid expenses	67,547	63,435
VAT refundable	16,849	-
Other receivables	69,094	36,385
Amount due from a related party	73,491	50,000
	571,462	277,750
Parent Company		
Trade receivables	195,456	71,233
less: Allowance for credit losses	(22,600)	(17,140)
	172,856	54,093
Accrued income	58,621	27,306
Employees receivable	9,363	15,474
Prepaid expenses	42,733	38,285
VAT refundable	16,849	-
Amount due from a related party	9,494	2,518
	309,916	137,676

The net carrying value of trade receivables is considered a reasonable approximation of fair value.

Note 26 includes disclosures relating to the credit risk exposures and analysis relating to the provision for expected credit losses.

Notes to the separate and consolidated financial statements

for the year ended 31 December 2022

(Expressed in Omani Riyal)

13 Cash and bank balances

Group	2022	2021
Cash in hand	459	507
Cash at bank:		
Current account	65,506	177,836
Call account	4,030,216	6,659,264
	4,096,181	6,837,607

Parent Company	2022	2021
Cash at bank:		
Current account	65,506	170,557
Call account	2,991,780	5,554,955
	3,057,286	5,725,512

14 Share capital and reserves

a) Share capital

	2022	2021
Authorised share capital: 20,000,000 shares of RO 1 each	20,000,000	20,000,000
Issued and fully paid up share capital: 15,000,000 shares of RO 1 each (2021:500,000 of RO 1 each)	15,000,000	500,000

The Parent Company is 100% owned by Oman Investment Authority.

b) Advance against share capital of RO 14,500,000 was introduced by the shareholders in 2021 which is registered during the year 2022.

c) Legal reserve

In accordance with the Commercial Companies Law and Regulations of the Sultanate of Oman, an annual appropriation of 10% of the net profit of the Parent Company and the Subsidiary for the year is made to this reserve until the amount of the legal reserve equals at least one-third of the respective entity's share capital. This reserve is not available for distribution.

d) Development reserve

The Board of Directors have resolved to transfer annually to a non-distributable development reserve, an amount equal to 10% of the Subsidiary's net profit and after transfer to the legal reserve.

15 Employees' end of service benefits

Movement in the liability recognised in the separate and consolidated statement of financial position is as follows:

Group	2022	2021
Opening	203,450	-
Acquired in business combination (Note 28)	-	823,343
Provided during the year / period	50,414	81,008
Paid during the year / period	(4,486)	(700,901)
At 31 December	249,378	203,450

Notes to the separate and consolidated financial statements

for the year ended 31 December 2022

(Expressed in Omani Riyal)

15 Employees' end of service benefits (continued)

Parent Company	2022	2021
Opening	77,144	-
Acquired in business combination (Note 28)	-	103,558
Provided during the year / period	41,563	3,791
Paid during the year / period	-	(30,205)
At 31 December	118,707	77,144

16 Bonds management fees

In accordance with the memorandum of understanding, the Ministry of Finance (MOF) is required to pay management fees representing 0.05% of the issue value of Government bonds to the Subsidiary. The management fees in respect of Government Bonds are deferred and recognised as income over the period of the bonds.

Group	2022	2021
Opening	918,181	-
Acquired in business combination (Note 28)	-	956,805
Income for the year / period	(256,354)	(188,624)
Management fees received during the year / period	-	150,000
At 31 December	661,827	918,181
Current portion	(215,925)	(256,354)
Non-current portion	445,902	661,827

17 Payables and accruals

Group	2022	2021
Amount due to Capital Market Authority (Note 17.1)	6,290,166	6,989,011
Other payables	398,964	417,692
Accrued expenses	1,055,468	1,110,468
Membership fees received in advance	1,498,009	1,364,345
	9,242,607	9,881,516
Less: Non-current portion of amount due to Capital Market Authority	(3,290,166)	(4,178,604)
	5,952,441	5,702,912

Parent Company

Amount due to Capital Market Authority (Note 17.1)	6,290,166	6,989,011
Other payables	252,760	342,646
Accrued expenses	537,534	790,501
	7,080,460	8,122,158
Less: Non-current portion of amount due to Capital Market Authority	(3,290,166)	(4,178,604)
	3,790,294	3,943,554

The carrying values of payables and accruals are considered to be a reasonable approximation of fair values.

Notes to the separate and consolidated financial statements

for the year ended 31 December 2022

(Expressed in Omani Riyal)

17 Payables and accruals (continued)

17.1 Amounts due to Capital Market Authority

Group	2022	2021
Gross amount payable	12,775,000	12,775,000
Interest on deferred payments	(492,126)	(600,306)
Less: Payments made to date	(6,000,000)	(5,000,000)
Other payable / (receivables) from CMA	7,292	(185,683)
	6,290,166	6,989,011

Parent Company	2022	2021
Gross amount payable	12,775,000	12,775,000
Interest on deferred payments	(492,126)	(600,306)
Less: Payments made to date	(6,000,000)	(5,000,000)
Other payable / (receivables) from CMA	7,292	(185,683)
	6,290,166	6,989,011

18 Commission income, membership and subscription fee

a) Commission income

The Parent Company earns commission on trading equal to 10 bps (0.1%) for equity and 1 bps (0.01%) for bonds and Sukuk on the trading value from both sides of the transaction and is recognised at point in time.

b) Membership and subscription fees

Group	Year ended 31 December 2022	For the period from 4 March 2021 to 31 December 2021
Membership fees	2,695,797	1,956,240
Subscription fee	12,000	49,638
	2,707,797	2,005,878
Parent Company		
Membership fee	39,800	29,638

19 Bonds listing fee

In accordance with the memorandum of understanding, the Ministry of Finance (MOF) is required to pay listing fees representing 0.05% of the issue value of Government bonds to MSX. The listing fees in respect of Government Bonds are recognised as income when it is received.

20 Interest Income

Group	Year ended 31 December 2022	For the period from 4 March 2021 to 31 December 2021
Interest income from fiduciary accounts	415,935	311,448
Interest income on call and current accounts	596,507	295,927
Interest income on term deposits	249,050	246,102
Interest income on amortised cost investments	-	4,733
	1,261,492	858,210

Notes to the separate and consolidated financial statements

for the year ended 31 December 2022

(Expressed in Omani Riyal)

20 Interest Income (continued)

	Year ended 31 December 2022	For the period from 4 March 2021 to 31 December 2021
Parent Company		
Interest income on call and current accounts	116,044	176,364
Interest income on term deposits	215,318	99,206
	<u>331,362</u>	<u>275,570</u>

21 Other Income

Group	Year ended 31 December 2022	For the period from 4 March 2021 to 31 December 2021
Interest on deferred payments (Note 17.1)	-	600,306
Trustee fees	266,416	208,903
Dividend management fees for joint stock companies	379,119	157,020
General assembly meetings management fees	349,572	97,400
Mortgage fees	21,984	16,743
Clearance and settlement service fees	50,643	12,970
Investors Trust Fund management fees	73,491	7,836
Reversal of provision for expected credit losses	1,000	900
IT services to CMA	47,859	54,001
Others	52,793	57,790
	<u>1,242,877</u>	<u>1,213,869</u>

Parent Company	Year ended 31 December 2022	For the period from 4 March 2021 to 31 December 2021
Interest income on deferred payments (Note 17.1)	-	600,306
Support and control service fee (a)	215,663	-
Reversal of provision for expected credit losses	1,000	900
IT services to CMA	47,859	54,001
Others	48,260	25,203
	<u>312,782</u>	<u>680,410</u>

- a) As per the agreement, the Subsidiary shall pay to the Parent Company, an annual fee towards the services received for Internal Audit and Risk and Compliance.

22 Salaries and related cost

Group	Year ended 31 December 2022	For the period from 4 March 2021 to 31 December 2021
Salaries and allowances	2,849,227	2,130,605
Bonus	259,357	405,815
Defined retirement contribution plan	195,438	227,729
Defined end of service benefits plan and leave salaries	186,808	83,853
	<u>3,490,830</u>	<u>2,848,002</u>

Notes to the separate and consolidated financial statements

for the year ended 31 December 2022

(Expressed in Omani Riyal)

22 Salaries and related cost (continued)

Parent

Salaries and allowances	1,548,927	984,492
Employees' bonuses	175,241	405,410
Defined retirement contribution plan	52,503	10,084
Defined end of service benefits plan and leave salaries	155,343	110,624
	<u>1,932,014</u>	<u>1,510,610</u>

23 General and administrative expense

Group	Year ended 31 December 2022	For the period from 4 March 2021 to 31 December 2021
Repairs and maintenance expenses	203,602	166,858
Directors' sitting fee (Note 25)	69,201	75,261
Postage, internet and telephone charges	57,805	45,979
Professional fees	186,050	80,157
Insurance expenses	159,706	106,797
Rent expenses	8,657	34,278
Advertising, publicity and subscriptions	139,757	44,616
Directors' remuneration (Note 25)	200,000	100,000
Training and scholarship expenses	97,470	34,669
Annual licence expenses	25,922	18,787
Official mission expenses	130,543	21,534
Printing and stationery expenses	20,616	18,140
Staff housing expenses	60,737	38,353
Donations	33,000	38,500
Provision for expected credit losses	25,480	25,015
IT related expenses	355,569	190,021
Electricity and water	64,608	27,796
Security services	73,087	-
Cleaning expense	64,448	-
Miscellaneous expenses	95,458	73,803
	<u>2,071,716</u>	<u>1,140,564</u>

Notes to the separate and consolidated financial statements

for the year ended 31 December 2022

(Expressed in Omani Riyal)

23 General and administrative expense (continued)

Parent Company	Year ended 31 December 2022	For the period from 4 March 2021 to 31 December 2021
Repairs and maintenance expenses	170,924	140,865
Directors' sitting fee (Note 25)	30,201	29,561
Postage, internet and telephone charges	46,135	39,515
Professional fees	137,943	39,189
Insurance expenses	54,341	34,428
Rent expenses	8,657	34,278
Advertising, publicity and subscriptions	110,190	32,486
Directors' remuneration (Note 25)	100,000	29,561
Training and scholarship expenses	68,036	22,411
Annual licence expenses	25,922	18,787
Official mission expenses	93,757	14,189
Printing and stationery expenses	17,059	13,478
Staff housing expenses	20,715	12,848
Donations	10,000	12,000
Provision for expected credit losses	10,300	8,540
Electricity and water	35,046	-
Security services	73,087	-
Cleaning expense	64,448	-
Miscellaneous expenses	11,196	43,279
	<u>1,087,957</u>	<u>525,415</u>

24 Taxation

a) The Parent Company and Group are subject to income tax at the rate of 15% in accordance with the Income Tax Law of the Sultanate of Oman.

Group	Year ended 31 December 2022	For the period from 4 March 2021 to 31 December 2021
Consolidated statement of financial position		
Deferred tax liability	151,415	124,760
Income tax payable	<u>432,824</u>	<u>582,105</u>
Consolidated statement of profit or loss		
Current tax expense	354,572	475,484
Deferred tax expense	26,655	107,135
	<u>381,227</u>	<u>582,619</u>
Parent		
Separate statement of financial position		
Deferred tax liability	150,395	118,323
Income tax payable	<u>124,631</u>	<u>301,695</u>
Separate statement of profit or loss		
Current tax expense	46,379	301,695
Deferred tax expense	32,072	118,323
	<u>78,451</u>	<u>420,018</u>

Notes to the separate and consolidated financial statements

for the year ended 31 December 2022

(Expressed in Omani Riyal)

24 Taxation (continued)

The total tax charge for the current period of the Parent Company can be reconciled to the accounting profits as follows:

Profit for the period before income tax	790,269	2,581,390
Income tax as per rates mentioned above	118,540	387,209
Adjustment for non-deductible items	1,545	1,281
Tax exempt income	(102,641)	(36,000)
Others	61,006	67,528
Tax expense for the year	<u>78,450</u>	<u>420,018</u>

b) Current status of tax assessments

The Parent Company is incorporated in 2021 and the tax assessment for the year 2021 is pending from Tax Authority.

The Subsidiary's tax assessment has been finalised till the year 2017 by the Tax Authority. At the end of the reporting period, management is of the opinion that additional taxes, if any, related to the open tax years would not be material to the Group's financial position.

25 Related party transactions and balances

A party is considered to be related to the Group if the party has the ability, directly or indirectly, to exercise significant influence in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or significant influence.

The Group's related parties include Parent Company, its Subsidiary, key management personnel and other business entities held under common control as described below. Unless otherwise stated, none of the transactions incorporate special items and conditions and no guarantees were given or received.

Group

i) Related party transaction during the year were as follows:

Compensation paid to key management personnel comprises:

	Year ended 31 December 2022	For the Period from 4 March 2021 to 31 December 2021
Salaries and related costs	63,650	339,417
Directors' sitting fees	69,201	50,261
Directors' remuneration	200,000	125,000
ii) Balances with related parties at the end of the year were as follows:		
CMA (Investors Trust Fund)	73,491	50,000
Bonds management fees	<u>256,354</u>	<u>261,139</u>
IT services to CMA	<u>47,859</u>	<u>54,001</u>
Rental income from CMA	<u>271,018</u>	-

Notes to the separate and consolidated financial statements

for the year ended 31 December 2022

(Expressed in Omani Riyal)

25 Related party transactions and balances (continued)

Parent Company	Year ended 31 December 2022	For the Period from 4 March 2021 to 31 December 2021
i) Related party transaction during the year were as follows:		
Compensation paid to key management personnel comprises:		
Salaries and related costs	2,400	85,250
Directors' sitting fees	30,201	29,561
Directors' remuneration	100,000	100,000
ii) Related party transactions during the year were as follows:		
Muscat Clearing and Depository Company SAOC		
Expenses incurred by MSX on behalf of the Subsidiary	9,494	2,518
Support and control service fee income	215,663	-
IT services to CMA	47,859	54,001
Rental income from CMA	271,018	-

26 Financial risk management

Risk management objectives and policies

The Group's activities expose it to a variety of financial risks including market risk (foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Risk management is carried out by the management under policies approved by the Board of Directors.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange and interest rates affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether these changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities in the market.

As of the date of reporting, the Group is not exposed to any price risk.

Interest rate risk

Interest rate risk arises from the possibility of changes in interest rates and mismatches or gaps in the amount of assets and liabilities that mature or re-price in a given period. The Group is exposed to fair value interest rate risk on its held-to-maturity financial assets and fixed deposit placed with the commercial banks as these carry fixed interest rates.

At the reporting date, if the interest rate were to shift by 1%, there would be a maximum increase or decrease in the interest income by RO 199,249 (2021 - RO 205,265).

Notes to the separate and consolidated financial statements

for the year ended 31 December 2022

(Expressed in Omani Riyal)

26 Financial risk management (continued)

Credit risk

Credit risk is managed through Parent Company and Group risk management policies and procedures. For banks, only independently rated parties with a rating from reputed credit agency are accepted.

The Group and Parent Company continuously monitors the credit quality based on performance of its customers. The Group's policy is to deal with only credit worthy counter parties. The credit terms for customers as negotiated with customers are subject to an internal approval process which considers performance of its collection in terms of collection received from them. The ongoing credit risk is managed through regular review of ageing analysis, together with credit limits per customer.

Exposure to credit risk

Group	2022	2021
Trade receivables	364,675	152,688
Accrued income	58,621	27,306
Term deposit	15,829,186	13,869,364
Bank balances	4,096,181	6,837,607
	<u>20,348,663</u>	<u>20,886,965</u>

Movement in the provision for expected credit losses is as follows:

Opening	67,538	-
Acquired in business combination (Note 28)	-	106,725
Provided / (reversal) during the year / period	20,640	(39,187)
At 31 December	<u>88,178</u>	<u>67,538</u>

At 31 December 2022, the ageing and the lifetime ECL provision for trade receivables and related parties are as follows:

	Less than 365 days	More than 365 days	Total
Gross carrying amount	308,153	56,522	364,675
Expected loss provision	(31,656)	(56,522)	(88,178)

At 31 December 2021, the ageing and the lifetime ECL provision for trade receivables and related parties are as follows:

	Less than 365 days	More than 365 days	Total
Gross carrying amount	103,856	48,822	152,678
Expected loss provision	(18,716)	(48,822)	(67,538)

Parent Company

Trade receivables	195,456	71,233
Accrued income	58,621	27,306
Term deposit	5,000,000	4,000,000
Bank balances	3,057,286	5,725,512
	<u>8,311,363</u>	<u>9,824,051</u>

Movement in the provision for expected credit losses is as follows:

Opening	17,140	-
Acquired in business combination (Note 28)	-	9,500
Provided during the year / period	5,460	7,640
At 31 December	<u>22,600</u>	<u>17,140</u>

Notes to the separate and consolidated financial statements

for the year ended 31 December 2022

(Expressed in Omani Riyal)

26 Financial risk management (continued)

Exposure to credit risk (continued)

At 31 December 2022, the ageing and the lifetime ECL provision for trade receivables and related parties are as follows:

	Less than 365 days	More than 365 days	Total
Gross carrying amount	175,620	19,836	195,456
Expected loss provision	(2,764)	(19,836)	(22,600)

At 31 December 2021, the ageing and the lifetime ECL provision for trade receivables and related parties are as follows:

	Less than 365 days	More than 365 days	Total
Gross carrying amount	57,047	14,186	71,233
Expected loss provision	(2,954)	(14,186)	(17,140)

Liquidity risk

Liquidity risk also referred to as funding risk, it is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's risk to liquidity is a result of funds available to cover future commitments. The Group manages liquidity risk through an ongoing review of future commitments.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are contractual discounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Group	Due within 1 year	More than 1 year	Total
31 December 2022			
Payables and accruals*	4,454,432	3,290,166	7,744,598
Lease liabilities	3,200	-	3,200
	<u>4,457,632</u>	<u>3,290,166</u>	<u>7,747,798</u>
31 December 2021			
Payables and accruals*	4,338,567	4,178,604	8,517,171
Lease liabilities	3,291	-	3,291
	<u>4,341,858</u>	<u>4,178,604</u>	<u>8,520,462</u>

* Excluding membership fee received in advance

Notes to the separate and consolidated financial statements

for the year ended 31 December 2022

(Expressed in Omani Riyal)

26 Financial risk management (Continued)

Parent Company	Due within 1 year	More than 1 year	Total
31 December 2022			
Payables and accruals	3,790,294	3,290,166	7,080,460
31 December 2021			
Payables and accruals	3,943,554	4,178,604	8,122,158

27 Fiduciary accounts

The Subsidiary acts as a custodian in respect of certain accounts that are maintained for amounts held in trust by the Subsidiary for and on behalf of third parties. The Board of Directors believe that these accounts should be controlled by recording and presenting in the separate and consolidated financial statements as memorandum accounts.

Fiduciary accounts of the Group as of the reporting date comprise the following:

	2022	2021
Bank Dhofar - management of dividends for joint stock companies (i)	6,285,068	2,692,520
Bank Dhofar -Investor Trust Fund (ii)	22,286,739	-
Cash in hand - Investors Trust Fund (iii)	3,287	1,977
Cash under Account - Settlement Default Fund (SDF) (iv)	250,000	250,000
	<u>28,825,094</u>	<u>2,944,497</u>

- This account is operated by the Subsidiary exclusively in connection with dividends management for joint stock companies. The account is used for the purpose of dividends receipts and onward repayment to shareholders of joint stock companies.
- This account is operated by the Company exclusively for the purpose of managing payment transactions relating to the Investors Trust Fund that is established and supervised by the Capital Market Authority.
- This account includes the cash amounts received by the Subsidiary for the purpose of managing payment transactions relating to the Investors Trust Fund.
- The Company has opened an account with the CBO to enable SDF to use this account in-case any shortage in the settlement, since this Fund is acting as Guarantor for the Settlement.

28 Business Combination

By virtue of the Royal Decree No. 5/2021 issued on 5 January 2021, with effect from 10 April 2021, all assets and liabilities of the Muscat Securities Market (MSM), including its subsidiary, have been transferred to the Parent Company and the Group at their book values for Nil consideration.

Notes to the separate and consolidated financial statements

for the year ended 31 December 2022

(Expressed in Omani Riyal)

28 Business Combination (continued)

The details of the business combination are as follows:

	Group Net Asset of MSM and MCD	Parent Company Net Asset of MSM
Recognised amounts of identifiable net assets		
2021		
Property and equipment (Note 6)	2,112,364	336,481
Right-of-use asset (Note 7)	10,393	-
Intangible assets (Note 11)	477,387	406,957
Investment in subsidiary	-	1,540,500
Term deposits	3,259,293	-
Amortised cost investment	76,703	-
Settlement in guarantee fund	240,439	-
Total non-current assets	<u>6,176,579</u>	<u>2,283,938</u>
Subscription and other receivables	514,515	162,527
Term deposits	6,048,695	-
Cash and bank balances	2,446,594	895,205
Total current assets	<u>9,009,804</u>	<u>1,057,732</u>
Total assets	<u>15,186,383</u>	<u>3,341,670</u>
Employees' end of service benefits	242,134	103,558
Government bonds - deferred management fees (Note 16)	696,862	-
Lease liabilities	5,795	-
Deferred tax liability	12,254	-
Total non-current liabilities	<u>957,045</u>	<u>103,558</u>
Other payables and accruals	3,816,723	1,044,601
Government bonds - deferred management fees (Note 16)	259,943	-
Lease liabilities	3,320	-
Income tax payable	111,993	-
Total current liabilities	<u>4,191,979</u>	<u>1,044,601</u>
Total liabilities	<u>5,149,024</u>	<u>1,148,159</u>
Total identifiable net assets	10,037,809	2,193,511
Non-controlling interest	(3,500,919)	-
Identifiable net assets allocated to the Parent	<u>6,536,890</u>	<u>2,193,511</u>
Consideration	-	-
Gain on business combination	<u>6,536,890</u>	<u>2,193,511</u>
2022		
Loss recognised on business combination	(213,098)	-
Net gain on business combination	<u>6,323,792</u>	<u>2,193,511</u>

Management had recognised bargain gain on business combination of RO 6,536,890 in 2021 based on the provisional numbers. During the year 2022, management has recognised RO 213,098 as adjustment to previously recognised bargain gain on business combination of RO 6,536,890 and Non- controlling interest of RO 3,500,919.

Notes to the separate and consolidated financial statements

for the year ended 31 December 2022

(Expressed in Omani Riyal)

29 Net assets per share

The calculation of net asset per share is based on the net assets at the reporting date and the number of shares outstanding at year end as follows:

Group	2022	2021
Net assets	25,104,635	24,888,839
Number of shares at the end of reporting period (including advance against share capital)	<u>15,000,000</u>	<u>15,000,000</u>
Net assets per share	<u>1.674</u>	<u>1.659</u>
Parent Company		
Net assets	17,873,190	17,161,372
Number of shares at the end of reporting period (including advance against share capital)	<u>15,000,000</u>	<u>15,000,000</u>
Net assets per share	<u>1.192</u>	<u>1.144</u>

30 Earnings per share

The calculation of basic earnings per share is based on net profit for the year attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the year as follows:

Group	2022	For the Period from 4 March 2021 to 31 December 2021
Net profit for the year (RO)	1,508,878	7,217,707
Weighted average number of shares (including advance against share capital)	<u>15,000,000</u>	<u>15,000,000</u>
Earnings per share (RO)	<u>0.101</u>	<u>0.481</u>
Parent Company		
Net profit for the year (RO)	711,818	2,231,811
Weighted average number of shares (including advance against share capital)	<u>15,000,000</u>	<u>15,000,000</u>
Earnings per share (RO)	<u>0.047</u>	<u>0.149</u>

31 Contingencies and commitments

Contingencies

The Group and the Parent Company had no contingencies at 31 December 2022 and 31 December 2021.

Commitments

At the reporting date, the Group and the Parent Company had capital commitments of RO 297,897 (2021: RO 1,204,270) and RO 167,780 (2021: RO 1,156,057), respectively.

Notes to the separate and consolidated financial statements

for the year ended 31 December 2022

(Expressed in Omani Riyal)

32 Notes supporting the statement of cash flows

Particulars	1 January 2022	Cash outflows	Non cash flows	31 December 2022
Lease liabilities	6,636	(3,600)	164	3,200
Advance against share capital	14,500,000	-	(14,500,000)	-

Particulars	1 January 2021	Cash inflows/ (outflows)	Non cash flows	31 December 2021
Lease liabilities	-	(3,600)	10,236	6,636
Advance against share capital	-	14,500,000	-	14,500,000

33 Comparatives

Certain comparative information has been reclassified to conform to the presentation adopted in these financial statements.

34 Subsequent events

There are no events occurring subsequent to 31 December 2022 and before the date of report that are expected to have a significant impact on these separate and consolidated financial statements.

Disclaimer

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