



بورصة مسقط

MSX

2024  
Annual Report  
2025



**His Majesty Sultan Haitham Bin Tarik**  
-May Allah Protect Him-

# Contents

Key Statistics	07
About Muscat Stock Exchange	10
Board of Directors	13
Chief Executive Officer Message	14
Key Achievements	18
Human Resources Performance and Development	22
Board of Directors’ Report for the Financial Year ended 31/12/2024	24
Corporate Governance Report	32

Sustainable Investment	44
MSX Performance	48
Auditor’s Report	64
Consolidated statement of comprehensive income	67
Consolidated statement of financial position	68
Consolidated statement of cash flows	69
Consolidated statement of changes in equity	70
Notes to the Consolidated financial statements	71



بورصة مسقط  
**MSX**

PO Box: 3265, PC: 112,  
Ruwi, Sultanate of Oman.

+968 2482 3600

info@msx.om

www.msx.om



## MSX Key Statistics

	2023	2024	Variation %
MSX 30 Index	4,514.07	4,576.60	1.39%
Number of traded days	247	247	0.00%
number of trades	184,266	257,544	39.77%
Number of shares traded -million	4,378	6,431	46.90%
Value of Shares Traded-Million R.O.	1,006	1,167	15.95%
Number of Traded Bonds-Million	139.63	119.66	-14.30%
Value of Traded Bonds-Million R.O.	126.54	90.56	-28.43%
Total Turnover-Million R.O.	1,133	1,257	11.00%
Turnover Daily Average Million R.O.	4.59	5.09	11.00%
Market Capitalization-Billion R.O.	23,802	27,595	15.93%
Foreign Participation %	20.29%	16.30%	-19.66%
Number of Listed Companies (SAOG)	109	109	--
Number of Brokerage Companies	9	10	11%



Riyal = 2.6 United States Dollars















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



### Shareholder Statistics 2024

 Total numbers of investors account:	563418
 Number of New investors Account recorded in 2024:	33833

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

The Nationality	Ownership Percentage
 Omani	85.226%
 Qatari	2.580%
 Emirate	2.499%
 Netherlands	1.498%
 Bahraini	1.490%
 Saudi	1.452%
 Jordanian	1.129%
 Kuwait	0.580%
 British Virgin Islands	0.539%
 India	0.456%

### Trading Statistics

 Total number of nationalities traded	68
 Number of Traders	67100

## Muscat Stock Exchange (MSX)

The Muscat Stock Exchange S.A.O.C was established pursuant to Royal Decree No. 5/2021 dated 6/1/2021. On 11/4/2021, the Financial Service Authority granted the official authorization to the MSX to replace the Muscat Securities Market, which was established in 1989. Thereafter, the transitional phase was successfully completed in accordance with the Financial Service Authority Law No. 80/1998 as amended.

MSX is responsible for managing the operations of the financial instruments market in the Sultanate of Oman. It is fully owned by the Omani Investment Authority. Its aim is to enhance the investment environment and implement best practices in risk management, pricing mechanisms, and the application of modern technology to provide the Stock Exchange with the utmost strength and security. It aims also to develop a working environment according to the best internationally recognized standards.

The establishment of MSX marks the first step in the privatization of the Muscat Securities Market, which was established in 1989 and operated as a government entity affiliated with the Financial Service Authority until the issuance of the Royal Decree No. 5/2021, which established the Muscat Stock Exchange Company.

MSX adopts a highly professional approach in carrying out its tasks. It continuously seeks to update its regulations to enhance its efficiency in cooperation and coordination with the Financial Service Authority.

MSX owns 89.32% of the capital of Muscat Clearing and Depository S.A.O.C, the central entity responsible for clearing, settlement, and deposit services for securities traded on the Muscat Stock Exchange. The Company also provides shareholder records and custody services for companies and investment funds.

Currently, MSX aims to transform the securities market in Oman into an advanced and flexible market capable of competing regionally and internationally and operating according to the best international standards.







## Vision:

A Leading stock exchange with global presence.



## Value:

Trust, Competence, Innovation, Transparency



## Mission:

“Providing an efficient investment environment, operating in accordance with the best standards and practices, providing diverse opportunities that align with the goals of the national economy”



## Message

“MSX the exchange of opportunities”

## 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.

## MSX Board Members



**Mohammed Mahfoodh Al Ardhi**  
Chairman of the board



**Imad Kamal Sultan**  
Vice Chairman



**Samra Sulieman AlHarthy**  
Board Member



**Khaled A KH Z AlKhaled**  
International Board Member



**Nabil Hamed AlMahrouqi**  
Board Member



**Aiham Abdullah AlRiyami**  
Board Member



**Martin Paul Graham**  
International Board Member

# Chief Executive Officer Message

---







## Chief Executive Officer Message

Muscat Stock Exchange (MSX) has continued its remarkable journey towards strengthening its position as one of the leading financial markets in the region with a focus on achieving sustainable growth and enhancing its investment appeal locally, regionally and globally. Throughout this year, we have witnessed significant achievements that reflect our commitment to fulfilling our strategic objectives and supporting Oman Vision 2040, which emphasizes economic diversification and fostering a competitive and sustainable investment environment.

As part of our efforts to attract more international investments and strengthen strategic relations with investment and asset fund managers from around the world, MSX has made remarkable

progress on both regional and international fronts. The Exchange has enhanced its participation in global conferences and events, contributing to its growing prominence in the region. Furthermore, MSX launched several local and international initiatives to support the financial market, including the announcement of the Capital Market Incentive Program, in line with our strategic plan to enhance market transparency and investment attractiveness.

This year, MSX witnessed new listings that reflect the diversity and growth of the market. Among the most notable listings was the IPO of OQ Exploration and Production, which raised over OMR 1.8 billion following the offering of 2 billion shares valued at more than OMR 770 million, making it the largest IPO in MSX's history. Additionally, OQ Base Industries was listed, raising OMR 387 million after offering 1.7 billion shares valued at over OMR 180 million.

Regarding market performance during the year, MSX delivered a strong performance supported by these new listings. The total market capitalization of the Exchange increased by 16% to reach OMR 27.6 billion, achieving gains exceeding OMR 3.9 billion. This contributed to an 11% increase in total trading value for the year, while the total number of traded securities rose by 45%. The main index of the Exchange recorded a 1.39% increase compared to the previous year, closing at 4,576.6 points.

The MSX Shariah Index, however, recorded a decline of 4.83%, closing at 425.5 points. Currently, there are 31 Shariah compliant companies with a total market capitalization of OMR 5.052 billion. The market capitalization of the companies listed in the index amounts to approximately OMR 790 million. Despite this decline, MSX remains committed to enhancing investment opportunities in the Sharia-compliant segment and fostering market diversity.

MSX continues to maintain a well-balanced market across various sectors. The financial sector's market capitalization stands at approximately OMR 5.466 billion, while the services sector is valued at OMR 5.400 billion. The industrial sector's market capitalization reached OMR 1.307 billion, whereas the total market capitalization of the bonds and sukuk sector amounts to OMR 4.308 billion. Additionally, the market capitalization of closed companies stands at OMR 10.953 billion, reflecting the diversity and resilience of Oman's market in attracting investments across multiple sectors.

In our continued commitment to achieving sustainable growth and promoting Environmental, Social, and Governance (ESG) best practices, MSX has launched the Investor Relations Best Practices Guide and the ESG Disclosure Guidance. Additionally, we have pledged to achieve net zero emissions by 2050 and joined the network of exchanges committed to sustainability. In 2024, a total of 16 companies disclosed their ESG data in alignment with these principles, with a combined market capitalization of over OMR 5 billion. This represents 18.18% of MSX's total market capitalization and 40.6% of publicly listed companies.

In conclusion, I would like to extend my sincere gratitude to the Chairman and members of the Board of Directors of MSX for their unwavering efforts in developing the capital market and providing continuous guidance and support. I also extend my heartfelt appreciation to all MSX Ambassadors working tirelessly at the Exchange, whose dedication contributes to achieving MSX's strategic objectives. Furthermore, I would like to thank all stakeholders, including listed companies, licensed brokerage firms, partners and all investors for their trust and continued support. We remain committed to driving achievements aligned with Oman Vision 2040 and look forward to a future filled with opportunities and new potentials.

**Haitham bin Salem Al Salmi**  
Chief Executive Officer

## Key Achievements

### External Engagements:

- 1  HSBC MENAT Future Forum 2025 – Dubai
- 2  HSBC GCC Exchanges Conference– London
- 3  Federation of Euro-Asian Stock Exchanges (FEAS) Conference – Uzbekistan
- 4  Annual Conference of the Arab Federation of Capital Markets (AFCM) – Qatar
- 5  Capital Markets Summit – Dubai
- 6  MEIRA annual conference – Abu Dhabi
- 7  The Network Forum Asia Meeting – Singapore

### Local and International Initiatives:

- 1 Announcement of the Capital Market Incentive Program Details
- 2 Signing the Net Zero pledge by 2050 and Joining the Exchange Net Zero Group
- 3 Joining as an Official Supporter of the United Nations Sustainable Stock Exchanges (SSE) Initiative



### Strategic Partnerships:

- 1 **Signing a Cooperation Memorandum with:**
  - Kazakhstan Stock Exchange
  - Astana International Exchange
  - Tawafuq Islamic Financial Consultancy
  - Eltizam Shariah Financial Consultancy
- 2 **Signing a Memorandum of Understanding with Muscat University**
- 3 **Main Sponsor of TEDx Thaqafah St Women**
- 4 **Strategic Partner of Islamic Banking Conference**







### Events and Activities:

- 1 Organizing a Series of MSX Chairmans Dialogue
- 2 Hosting the “Shariah Index Forum: Economic Prospects”
- 3 Participating in the Financial Literacy Seminar
- 4 Winning the Bronze Award at Oman Sustainability Week (OSW)
- 5 Investor Relations Officers Meeting
- 6 Winning the Pioneering ESG & Sustainability Standards Award
- 7 Meeting with Listed Companies
- 8 Participating in the First edition of Oman Endowment Conference
- 9 Attending the 4th Edition of TAS Conclave



### New Listings:




-  OQ Exploration & Production Company
-  OQ OQ Base Industries Company
-  Jabal Real Estate Investment Fund
-  Epicure Vision Fund





### Infrastructure Development:

- 1 Activation of Liquidity Provider Services
- 2 Approval of Lending and Borrowing Regulations
- 3 Approval of Covered Short Selling Regulations
- 4 Approval of Electronic Trading Rules
- 5 Launch of Best Practices Guide for Investor Relations
- 6 Launch of ESG Disclosure Guidelines
- 7 Approval of Foreign Brokerage Firms Registration Regulations
- 8 Registration of the First Market Maker

## Human Resources Performance & Development

 Total Employees: **104**  Male-to-Female Ratio: **63% Male**  Omanization Rate: **97%**

 Number of Employee Training Programs (Local & International): **102+**  Total Higher Education Institution Trainees: **25**

## “Level Up” Training Program

“Level Up” program launched by Muscat Stock Exchange, is a strategic initiative aimed at developing national talent within Oman’s financial sector. The program primarily focuses on equipping recent graduates and job seekers with essential practical and theoretical skills to succeed in the growing job market.

It seeks to build a new generation of qualified Omani professionals capable of effectively contributing to the financial sector, thereby strengthening the national economy. A key objective of the program is to enhance awareness and knowledge of financial markets among Omani youth by providing comprehensive training covering various aspects of the industry. Additionally, the program aims to equip participants with the skills required by the job market, increasing employment opportunities for graduates in the financial sector. Through this initiative, we strive to achieve sustainable development in Oman’s financial sector and provide promising opportunities for ambitious Omani youth.

Total Editions: **5** Applicants per Edition: **5000**

Participants per Edition: **33**

Trainees Who Secured Job Offers During Training: **38**

Number of Hired Participants: **12**



## Key Approved Policies and Strategies:

- Performance Evaluation Policy
- Human Resources Regulations
- Remote Work Guidelines
- Departmental Responsibilities and Job Descriptions
- Disciplinary Policy
- Accommodation and Travel Ticket Booking Regulations
- Code of Professional Conduct





### Key Achievements of the Subsidiary (Muscat Clearing & Depository Company):

- Launch of the Electronic Family Transfer Service via the Company's Official Website.
- Issuance of Regulations for Lending and Borrowing Activities.
- Signing of a Cooperation Memorandum with the Central Depository of the Astana International Exchange.
- Full Digital Transformation of Procedures for Opening and Updating Individual Investor Accounts.
- Attainment of ISO 9001:2015 Certification in Quality Management.
- Approval of the Document Management Guide by the National Records and Archives Authority.
- Adoption of a New Organizational Structure for Greater Flexibility, Efficiency and Smooth Operations.



### HR Performance in the Subsidiary Company:



Total Employees:  
**76**



Male-to-Female Ratio:  
**73% male**



Omanization Rate:  
**97%**



Internal Employee  
Training Programs:  
**30+**



External Employee  
Training Programs:  
**24+**



Number of Fixed-Term  
Contract Trainees:  
**7**



Total Higher Education Institution Trainees:  
**3**



### Key Approved Policies and Strategies:

- Remote Work Policy
- Code of Professional Conduct
- Work Ethics



# Board of Directors' Report for the Financial Year ended 31/12/2024

---





## Board of Directors' Report for the Financial Year Ended 31-12-2024

**Peace, mercy, and blessings of Allah be upon you.**

The global economy witnessed numerous developments and challenges over the past year, influenced by economic, political, and environmental factors. According to the latest data from the International Monetary Fund (IMF) and the World Bank, the global economy grew by 3.1% in 2024, reflecting a gradual recovery from the challenges faced by global markets in previous years. However, significant disparities remain between developed and developing economies, with the former recording a growth rate of 1.8%, while emerging economies achieved a growth rate of 4.3%.

Geopolitical conflicts have contributed to a state of uncertainty in the global economic outlook, particularly with the ongoing war in Ukraine and escalating tensions in other regions. Additionally, climate change has had adverse effects on agricultural production in certain areas, further increasing pressure on prices. On the other hand, global efforts to accelerate the transition toward clean energy have continued, with investments in renewable energy sources rising by 15% compared to 2023.

Global stock markets experienced significant fluctuations in 2024, influenced by varying economic expectations and monetary policies set by central banks. In the United States, the Dow Jones index rose by 13%, while the "Nasdaq" index recorded a 28% increase, supported by the strong performance of the technology sector, which benefited from advancements in artificial intelligence and big data technologies. In Europe, the Stoxx 600 index, which tracks the performance of 600 European companies across different industries and sizes, recorded a modest improvement of 0.6%. Meanwhile, Asian markets faced certain challenges.

In emerging markets, stock market performance was mixed. In China, the "Shanghai" index rose by 14%, while India experienced strong growth, leading to an 8% increase in the Bombay Stock Exchange index. In the Middle East, with oil prices remaining stable, Saudi Arabia's "Tadawul" stock exchange recorded a slight increase of 0.6%, whereas Dubai's stock market saw significant growth, reaching 27%.

As for the Muscat Stock Exchange in 2024, it performed positively, with the main index rising by 1.4% to close at 4,576.6 points. The market capitalization of the exchange increased by 16%, supported by new listings during the year, most notably OQ Exploration & Production and OQ Basic Industries. The market cap gained more than OMR 3.9 billion, contributing to an 11% increase in total trading value throughout the year.

The total revenue for the financial year ending December 31, 2024, amounted to four million nine hundred seventy-five thousand two hundred thirty-three OMR. Meanwhile, total expenses reached approximately OMR four million five hundred twenty-nine thousand Fifty-four and seventy OMR. An amount of four hundred ninety-eight thousand four hundred sixty-nine was recovered as a tax refund for the year 2021, resulting in a net profit after tax of OMR four hundred forty-five thousand seven hundred fifty-seven OMR. Accordingly, the earnings per share stood at 30 Baisa or OMR 0.030.

### Financial Summary:

Description	Year 2024 (OMR)
Capital	15,000.000
Total Revenue	4,975.233
Total Expenses	(4,529.475)
Tax Amount	0
Profit After Tax	445,757
Earnings Per Share	0.030

Note: The financial data covers the period from January 1, 2024, to December 31, 2024.



Achievements of 2024

The stock exchange witnessed a series of events and achievements both locally and internationally in 2024, successfully accomplishing its strategic objectives carefully designed to align with the exchange’s vision. Several key milestones were achieved during the year, including:

-  Approval of lending and borrowing regulations and covered short-selling regulations.
-  Approval of electronic trading rules.
-  Launch of the Investor Relations Best Practices Guide.
-  Activation of the liquidity provider role and registration of the first market maker.
-  Approval of regulations for registering foreign brokerage firms.
-  Announcement of the capital market incentive program details during a press conference.
-  Winning the Bronze Award at the Oman Sustainability Week ceremony.
-  Winning the Pioneering ESG & Sustainability Standards Award.

In terms of international cooperation:

1. Signing a cooperation agreement with the Kazakhstan Stock Exchange and the Astana International Exchange.
2. Signing the Net Zero Commitment by 2050 and joining the Net Zero Exchanges Group.
3. Becoming an official supporter of the United Nations Sustainable Stock Exchanges Initiative.

Future Projects

 The stock exchange’s five-year strategy (2021-2026) is based on six key pillars:

1. Business Performance
2. Enhancing Liquidity and Market Capitalization
3. Disclosure and Regulations
4. Products and Technology
5. Media and Marketing
6. Exchange Wealth.

These pillars work together to upgrade the exchange classification from a frontier market to an emerging market by:

- Attracting foreign capital and increasing market depth.
- Expanding and diversifying the investment product base while keeping pace with technological advancements in financial markets.
- Positioning the exchange as an attractive investment destination by showcasing its achievements and opportunities while enhancing liquidity through investor awareness programs.

- Developing disclosure and transparency systems and enhancing the exchange’s legislative framework by continuously reviewing and updating regulations to align with global best practices.



The exchange aims to implement a range of projects within its short- and medium-term plans, including:

- Fulfilling requirements for an upgrade to emerging market status as per global index criteria and securing a place on the watchlist for these indices.
- Launching a dedicated stock exchange for small and medium enterprises (SMEs), with regulatory and operational frameworks currently being developed in collaboration with the Capital Market Authority, the SME Authority, and Muscat Clearing & Depository (MCD).
- Enhancing sectoral representation within the stock exchange.



The stock exchange continues to coordinate with relevant government authorities to facilitate the listing of securities from government divestments or newly issued instruments. These initiatives aim to expand investment alternatives, increase market capitalization, and boost liquidity in listed securities.

Conclusion

On behalf of myself and the esteemed members of the Board, we extend our sincere gratitude and appreciation to all institutions and entities supporting the company, led by the Capital Market Authority, the Oman Investment Authority, Muscat Clearing & Depository (MCD), all listed companies, brokerage firms, and the Omani Securities Association.

We also highly appreciate the significant role played by the company, particularly the executive management and stock exchange employees, for their outstanding efforts throughout 2024, a year marked by numerous challenges.

In conclusion, the Board expresses its highest and most sincere gratitude and appreciation to His Majesty Sultan Haitham bin Tarik—may Allah protect and bless him. We pray to the Almighty to grant His Majesty good health, well-being, and a long and prosperous life, and to bless his efforts for the welfare and progress of the nation.

May peace, mercy, and blessings of Allah be upon you.

Mohammed Mahfoodh Al Ardhi  
Chairman of the Board



Ernst & Young LLC  
P.O. Box 1750, Ruwi 112  
5th Floor, Landmark Building  
Opposite Al Ameen Mosque  
Bowsher, Muscat  
Sultanate of Oman  
Tax Card No. 8218320

Tel : +968 22 504 559  
Fax : +968 22 060 810  
muscat@om.ey.com  
ey.com  
C.R No. 1224013  
PR No. HMH/15/2015; HMA/9/2015

## AGREED-UPON PROCEDURES REPORT ON FACTUAL FINDINGS TO THE SHAREHOLDERS OF MUSCAT STOCK EXCHANGE SAOC IN RESPECT OF CORPORATE GOVERNANCE REPORT

### Scope and purpose

We have performed the procedures agreed with you pursuant to the Financial Authority's Services (FSA) circular no. E/4/2015, dated 22 July 2015, and OIA letter dated 7 August 2023 and 1 August 2023 on 'the Corporate Governance of the OIA affiliated companies' with respect to the Board of Directors' Corporate Governance Report (the "Report") of Muscat Stock Exchange SAOC (the "Company") as at and for the year ended 31 December 2024 and its application of the corporate governance practices in accordance with amendments to FSA's Code of Corporate Governance issued under circular no. E/10/2016 dated 1 December 2016 (collectively the "Code").

### Restricted use

This agreed-upon procedures report ("AUP Report") is intended solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose. This report relates only to the accompanying corporate governance report of the Company to be included in its annual report for the year ended 31 December 2024 and does not extend to any financial statements of Muscat Stock Exchange SAOC, taken as a whole.

### Responsibilities of the Board of Directors

The Board of Directors have acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement and are responsible for identifying and ensuring that the contents of the Report comply with the Code on which the agreed-upon procedures are performed. The sufficiency of these procedures is solely the responsibility of the Company and its Board of Directors.

### Responsibilities of the Practitioner

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness, or the sufficiency of the agreed-upon procedures described below either for the purpose for which this AUP Report has been requested or for any other purpose.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

### Our independence and quality control

In performing the Agreed-Upon Procedures engagement, we complied with the ethical requirements in the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA) and the independence requirements in accordance with the relevant independence requirements. We are the independent auditor of the Company and therefore we also complied with the independence requirements of the IESBA Code that apply in the context of the financial statement audit.



## AGREED-UPON PROCEDURES REPORT ON FACTUAL FINDINGS TO THE SHAREHOLDERS OF MUSCAT STOCK EXCHANGE SAOC IN RESPECT OF CORPORATE GOVERNANCE REPORT (continued)

### Our independence and quality control (continued)

EY applies International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Description of procedures performed

We have performed the procedures described below, which were agreed upon with you on the compliance of the Report with the Code for the year ended 31 December 2024.

Our procedures and findings included:

No.	Procedures	Findings
(a)	We obtained the Corporate Governance Report issued by the Board of Directors and compared its contents to the minimum requirements of the CMA as set out in Annexure 3 of the Code.	No exceptions noted.
(b)	We obtained from the Company details of the areas of non-compliance with the Code identified by the Company Board of directors for the year ended 31 December 2024.  Additionally, we obtained written representations from the directors that there were no other areas of non-compliance with the code for the year ended 31 December 2024 of which they are aware.	No exceptions noted.

*Ernst & Young*

20 March 2025  
Muscat



# Corporate Governance Report for the Financial Year Ending 31/12/2024

---





### Company Organization and Management Report for the fiscal year ending 31/12/2024

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 Law issued by Royal Decree No.(18/2019), the provisions of the Capital Market Law issued by Royal Decree No.(80/1998) and its amendments, the Executive Regulations of the Financial Services Authority issued by Ministerial Resolution No. (1/2009), and the provisions of the Privatization Law issued by Royal Decree No.(51/2019). The government’s share of 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 sellers of securities, through: listing securities, facilitating the buying, selling and trading of securities, organizing and controlling them, and maintaining the stability and flexibility of the securities market in a way that serves the interests of investors and the Omani economy, and setting high professional standards for members and participants in the stock exchange and investors, and between the financial markets and the money markets.

#### Board of Directors

Article 17 of the company’s articles of association stipulates the formation and election of members of the board of directors and its committees. The board currently consists of seven members, five of whom are independent, all non-executive, while the other two members represent the Oman Investment Authority. Three committees have been formed from the board: the Executive Committee, the Audit and Risk Committee, and the Nominations and Remuneration Committee. The board members were appointed by the Oman Investment Authority during the first and second terms of the Board of Directors of the Stock Exchange. It is worth noting that the current term of the board is the second - after its legal form was changed - and it began in 2024 AD and ends in 2027 AD.

S	Name	Capacity
1	Mohamed Mahfoodh Saad Al Ardhi	Independent Member
2	Imad Kamal AbdulRedha Sultan	Independent Member
3	Samra Sulieman Khalfan AlHarthy	Non-independent member
4	Aiham Abdullah Amur AlRiyami	Non-independent member
5	Nabil Hamed Zahran AlMahrouqi	Independent Member
6	Khaled A KH Z AlKhaled	Independent Member - from the State of Kuwait
7	Martin Paul Graham	Independent Member - from the United Kingdom

### Members of the Board of Directors

Members of the Board of Directors are elected at the company’s ordinary general assembly meeting every three years in accordance with Article No.(181) of the Commercial Companies Law.

The following are details of the attendance of the Board members at the Board meetings held during the fiscal year ending 31/12/2024, and the total meeting attendance allowances received by each member for the period, taking into account the Authority’s directives that the attendance allowance for the Board and its committees shall not exceed (6,000) six thousand Omani riyals for each member during one year. The table below includes the Board members whose term ended at the beginning of 2024 and their allowances, as follows:

S	Member name	Capacity	Number of meetings attended	Total amount (RO)
1	Mohamed Mahfoodh Saad Al Ardhi	Chairman of the Board of Directors	4	2,200
2	Imad Kamal AbdulRedha Sultan	Vice Chairman of the Board of Directors	6	2,250
3	Samra Sulieman Khalfan AlHarthy	Member	6	2,700
4	Aiham Abdullah Amur AlRiyami	Member	4	1,800
5	Nabil Hamed Zahran AlMahrouqi	Member	4	1,800
6	Khaled A KH Z AlKhaled	Member	4	1,800
7	Martin Paul Graham	Member	2	900
8	Dr. Hatem Bin Bakhit Bin Saeed Al Shanfari	Former member	2	900
9	Mithla Bant Saleh Bin Muhammad Al Shaqsiya	Former member	4	1,800
10	Abdullah Saleh Mohammed Al Suwailemi	Former member	2	900
11	Roland Schwein	Former member	2	900

The Board of Directors meetings were held on the following dates:

Board of Directors meeting	Date
1/2024	March 7, 2024
2/2024	March 13, 2024
3/2024	May 5, 2024
4/2024	May 12, 2024
5/2024	August 7, 2024
6/2024	October 31, 2024

Committees emanating from the Board of Directors

Executive Committee

The tasks and responsibilities of the Committee are as follows:

• Assist the Board in developing company strategies
• Follow up and support Top management in implementing the strategy and action plans.
• Effectively monitor business operational and financial performance against goals, objectives and KPIs.
• Identify issues, act on early warnings and deviations from the work plan and/or budget, review the adequacy of interventions and monitor the effectiveness of remedial actions.
• Develop and implement a process and governance framework for approval by the Board of Directors.
• Review the company’s budget before it is approved by the board.
• Review all business investments, divestments and major capital expenditure proposals and make relevant recommendations to the Board of Directors regarding those that are material in nature or cost.

The following are details of the attendance of Executive Committee members at committee meetings held during the fiscal year ending December 31, 2024, and the total meeting attendance allowances received by each member for that period. The table below includes committee members whose terms ended at the beginning of 2024 and their allowances, as follows:

S	Member name	Capacity	Number of meetings attended	Total amount (RO)
1	Mohamed Mahfoodh Saad Al Ardhi	Chairman of the Committee	4	1,200
2	Imad Kamal AbdulRedha Sultan	Member	4	1,200
3	Samra Sulieman Khalfan AlHarthy	Member	4	1,200
4	Abdullah Saleh Mohammed Al Suwailemi	Former member	1	300
5	Roland Schwein	Former member	1	300

The Executive Committee meetings were held on the following dates:

Executive Committee Meeting	Date
1/2024	March 21, 2024
2/2024	September 2, 2024
3/2024	September 29, 2024
4/2024	October 12, 2024

Audit and Risk Committee

The tasks and responsibilities of the Committee are as follows:

• Supervising the company’s internal audit work, studying and reviewing the internal control system, submitting a written report to the Board of Directors on its recommendations on an annual basis, and following up on the implementation of corrective procedures for the observations contained therein.
• Ensuring the suitability and adequacy of the company’s internal control systems, whether by relying on the periodic reports of internal auditors and external auditors, or by seeking the assistance of specialized consulting firms in this field.
• Recommending the appointment of external auditors, terminating their contracts, and determining their fees. When recommending the appointment, care must be taken to ensure their independence.
• Reviewing the auditors’ work plan and the results of the audit process, and ensuring that the auditor is granted full access to all documents necessary to carry out his duties.
• Ensuring that adequate procedures are in place to prevent or detect any fraud or financial forgery and ensure compliance with accounting principles in accordance with international accounting standards that reflect the company’s true financial position.
• Studying the accounting policies followed in the company and providing opinions and recommendations to the board of directors regarding them.
• Reviewing the company’s financial statements if they have not been reviewed by the company’s external auditor before issuing them, reviewing the external auditors’ reservations on the draft financial statements, if any, and ensuring compliance with the disclosure requirements stipulated in these principles.
• Acting as a channel of communication between the company’s Board of Directors, the external auditors and the Internal Audit Department
• Reviewing the proposed transactions and dealings that the company should undertake with related parties, and providing appropriate recommendations regarding them to the Board of Directors.
• Supervising the review of the audit and risk plan and its approval by the Board of Directors, and following up on its implementation, provided that the plan includes the main risks that the company may be exposed to, the extent of their occurrence, the mechanisms for identifying these risks, measuring and monitoring them, the periodic detection of risks (especially new ones) and reporting them, and ways to reduce the effects of risks, if avoiding them is not possible.
• Reviewing the company’s policies related to risk management on a regular basis, taking into account the company’s business, market variables, and the company’s investment and expansion trends.
• Providing periodic analytical reports or as directed by the Board of Directors on the company’s risk position and management.

The following are details of the attendance of the Audit and Risk Committee members at the committee meetings held during the fiscal year ending December 31, 2024, and the total meeting attendance allowances received by each member for that period. The table below includes the committee members whose terms ended at the beginning of 2024 and their allowances, as follows:

S	Member name	Capacity	Number of meetings attended	Total amount (RO)
1	Khaled A KH Z Al Khaled	Member	9	2,700
2	Imad Kamal AbdulRedha Sultan	Member	9	2,250
3	Aiham Abdullah Amur AlRiyami	Member	9	2,700
4	Hatim Bin Bakhit Bin Saeed Al Shanfari	Former Chairman of the Committee	3	900
5	Mithla Bant Saleh bin Muhammad Al Shaqsiya	Former member	3	900
6	Roland Schwein	Former member	3	900

The Audit and Risk Committee meetings were held on the following dates:

Audit and Risk Committee	Date
1/2024	January 4, 2024
2/2024	January 25, 2024
3/2024	March 4, 2024
4/2024	May 12, 2024
5/2024	June 2, 2024
6/2024	June 5, 2024
7/2024	July 24, 2024
8/2024	September 12, 2024
9/2024	October 15, 2024
10/2024	October 16, 2024
11/2024	October 23, 2024
12/2024	December 05, 2024

### Nominations and Remuneration Committee

The tasks and responsibilities of the Committee are as follows:

- Providing advice to the General Assembly regarding the nomination of competent members to the Board of Directors who possesses the required skills and experience.
- Assist the Board of Directors in selecting appropriate and necessary competencies for key management personnel.
- Submitting the succession plan for the Board of Directors or at least the Chairman of the Board of Directors, and the succession plan for key management personnel for approval by the Board of Directors
- Preparing a job description for the role and responsibilities of the board member, including the chairman of the board, to facilitate the performance of their duties and roles, and to measure their performance.
- Nominating qualified persons for membership in the Board of Directors when a position becomes vacant, and nominating qualified persons to assume executive positions in the company
- Preparing and periodically reviewing the policy related to granting bonuses, allowances, and incentives to key management employees, taking into account market conditions and the company’s performance.

The following are details of the attendance of the Nominations and Remuneration Committee members at the committee meetings held during the fiscal year ending December 31, 2024, and the total meeting attendance allowances received by each member for that period. The table below includes the committee members whose terms ended at the beginning of 2024 and their allowances, as follows:

S	Member name	Capacity	Number of meetings attended	Total amount (RO)
1	Samra Sulieman Khalfan AlHarthy	Chairman of the Committee	3	900
2	Nabil Hamed Zahran AlMahrouqi	Member	1	300
3	Martin Paul Graham	Member	2	600
4	Imad Kamal AbdulRedha Sultan	Former Chairman of the Committee	1	300
5	Abdullah Saleh Mohammed Al Suwailemi	Former member	1	300

The Nominations and Remuneration Committee meetings were held on the following dates:

Nominations and Remuneration Committee	Date
1/2024	February 4, 2024
2/2024	July 31, 2024
3/2024	October 24, 2024



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

The remuneration of the Board of Directors is determined and approved at the annual ordinary general meeting.

Total remuneration paid to top management employees

The remuneration of top management employees is determined and approved upon the recommendation of the Nominations and Remuneration Committee and subsequently approved by the Board of Directors after the approval of the financial statements and the financial position of the Stock Exchange at the General Assembly.

As for the total salary, benefits, allowances and increases for the top five executives, it amounts to OMR 236,313.

Details of fixed remuneration and performance-related incentives

Muscat Stock Exchange adopts a system of rewards and incentives linked to performance and measuring performance standards allocated to employees. This is done by submitting a recommendation from the CEO to the Nominations and Remuneration Committee, which in turn studies the recommendation and submits it to the Board of Directors for final approval, after the approval of the financial statements and the financial position of the Stock Exchange in the General Assembly.

Board of Directors training programs and workshops

One of the Board members, Ms. Samra Al-Harithiya, has been enrolled in the training program announced by the Oman Investment Authority, which is specialized in preparing Board members in 2024 AD:

S	Training program	Date held	Place held	Cost
1	Certified Board Member	6 months	Royal Academy of Oman	2,800 Omani riyal

Company Violations Statement

During the fiscal year ending on 31/12/2024, the company did not face any legal violations required by Omani laws or any financial fines imposed on the company by any regulatory authority.

Means of communication with the company’s shareholders

- Unaudited quarterly financial results are distributed to the company’s shareholders and the Financial Services Authority.
- The audited annual financial statements are sent with the Board of Directors’ report as well as transactions with related parties.
- The invitation to attend the company’s general assemblies shall be sent to the shareholders after it has been approved by the Ministry of Commerce, Industry and Investment Promotion and the invitation announcement shall be published via the electronic system and one of the local newspapers. The invitation and agenda may also be published through the electronic platform prepared by Muscat Clearing & Depository Company (SAOC) in accordance with the provisions of Article (54) of the Commercial Companies Regulations No. 146/2021.
- The Board of Directors’ Report included in the Annual Report contains management’s discussion and analysis of the company’s annual performance.

Social responsibility activities

With reference to the decision of the Company’s Annual Ordinary General Assembly for the year 2023, which was held on 29/03/2024, regarding the approval of an amount of (10,000) ten thousand Omani riyals for the company’s donations for the fiscal year ending on 31/12/2024. According to the Social Investment Guide issued by the Oman Investment Authority, a unified committee was formed between the Muscat Stock Exchange Company and its subsidiary, Muscat Clearing and Depository Company, and the approved amounts for the donations of the two companies were collected, totaling (30,000) thirty thousand Omani riyals for five projects and two voluntary initiatives. The amount was disbursed as follows:

	Project type	Amount (RO)	Project	Collaboration with	Field	Summary
1	Oman Charitable Organization	6,000			Social	Annual contribution
2	Local projects	2,800	“Light” Campaign - Al-Khawd House	Sawa nabni	Social	Buy electronics and furniture for Al-Khawd House
3		9,000	Al-Ata’a district	Dar Al-Ata’a	Social Environ-mental	Part of the Al-Ata’a district Project, which focuses on community rejuvenation, sustainable homes, built with eco-friendly materials and solar panels, are designed for those in need, providing stability while promoting environmental responsibility.

4	National projects outside the geographical scope of the Foundation's work	4,800	Python Learning Facilitation Campaign for Orphans	Bahja Orphanage Association	Social Educational	The project focuses on providing the orphanage community with the tools needed to help orphans learn Python. This was supported with 15 laptops designed with specifications to facilitate the learning process. This was supported by 15 laptops with specifications designed to facilitate the learning process.
5	Social care	3,900	Training graduates on the job	OIA	Educational	Creating job opportunities for the community
6	Volunteer initiatives	645,750	Reconstruction of Al-Khawd House	Sawa nabni	Social	As part of the "Light Campaign," employees are contributing to the rebuilding and renovation of Al-Khawd House as a way of giving back to the community.
7			Beach Cleanup	Muscat Municipality	Environmental	A beach clean-up initiative was implemented on Al Athaiba Beach, where employees volunteered to remove trash and protect the coastline. The initiative aims to raise environmental awareness and promote a cleaner, healthier ecosystem.

### Professional Profile of Auditors

**EY office** has been appointed as the company’s auditor for 2024. It is one of the licensed offices in the Sultanate that provides various audit and consulting services.

### Legal consultant

**Rajab Al-Kathiri & Partners Law Firm and Legal Consultancy** is one of the well-known firms in the Sultanate for legal consultancy work, and has extensive experience in the laws regulating commercial companies.



# Sustainable Investment

---







The year 2024 marked significant transformations for the Sustainable Investment Center, with notable progress in Environmental, Social, and Governance (ESG) practices, Investor Relations (IR), and Corporate Social Responsibility (CSR). One of the most important developments was the evolution of the Sustainable Investment Department into an independent, standalone center, reinforcing its role in promoting sustainability.

Over the past two years, Muscat Stock Exchange (MSX) has focused on developing its infrastructure and supporting listed companies. In 2024, further progress was made through the launch of new initiatives, platform upgrades, and enhanced collaboration with listed companies, local stakeholders, and the international community.



### Environmental, Social and Governance (ESG):

- Continuous improvements based on feedback from over 60 companies, making the platform more efficient and user-friendly.
- Alignment of disclosure standards with GRI guidelines and introduction of optional indicators.
- Providing individualized guidance on ESG governance to over 45 companies.
- Hosting training programs at the exchange level, attracting more than 250 participants.
- A 144% increase in the number of companies disclosing their ESG practices, rising from 9 to 22 companies.
- MSX joined the Net Zero Financial Service Providers Alliance (NZFSPA) to support global sustainability efforts.



### Sustainability:

- Launch of MSX's Sustainability Policy.
- Increased employee engagement through volunteer programs such as Tree Planting and Environmental Awareness Campaigns.
- Reduction in electricity consumption by 4.87%, alongside efforts to minimize paper usage.



### Diversity & Inclusion:

- 25% growth in female workforce representation.
- Women now constitute 34.78% of total employees and hold 6 out of 13 managerial positions.



### Investor Relations (IR):

- Launch of Investor Relations Guidelines.
- Collaboration with the Middle East Investor Relations Association (MEIRA).
- Hosting meetings and workshops covering key topics, including ESG governance, AI integration in IR, and market trends.



### Corporate Social Responsibility (CSR):

- Adoption of a new CSR policy aligned with the Oman Investment Authority's strategy, shifting the focus from direct donations to sustainable projects.
- Allocation of OMR 30,000 to support seven national projects on collaboration with our subsidiary MCD.



# MSX Performance

---



### MSX Performance

	2020	2021	2022	2023	2024
MSX30 Index	3,658.77	4,129.54	4,857.44	4,514.07	4,576.60
No. of trading days	243	246	247	247	247
No. of Trades	103,951	151,527	134,475	184,266	257,544
No. of traded shares (million)	2,282	4,135	4,229	4,378	6,431
Value of traded shares (Million R.O)	401	645	883	1,006	1,167
No. of traded bonds (million)	25.29	74.45	54.20	139.63	119.66
Value of traded bonds (Million R.O)	40.27	172.93	57.58	126.54	90.56
Total trading value (Million R.O)	441	818	940	1,133	1,257
Average of daily trading (Million R.O)	1.81	3.33	3.81	4.59	5.09
Market Capitalization (Million R.O)	20,242	22,091	23,737	23,802	27,595

### Capital structure in joint stock companies in 2023

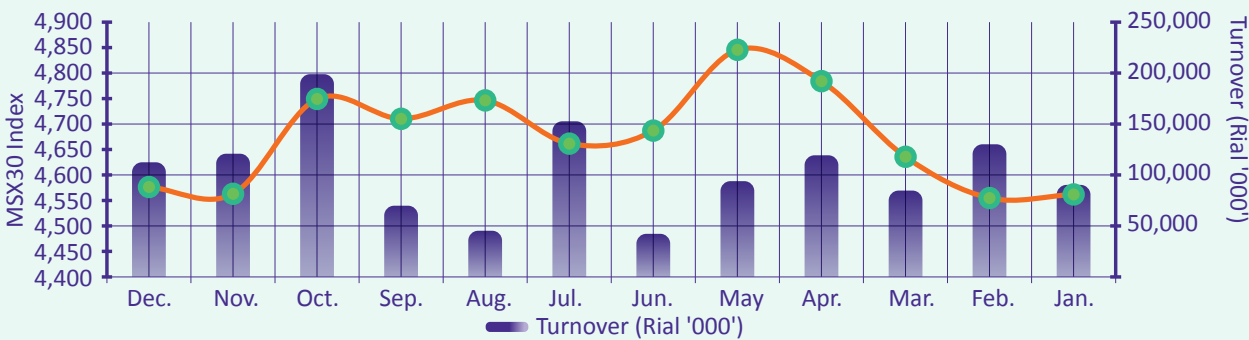
Item	Qty.	Amount
New Issues (Companies)	4	990,193,707
New Issues (Bonds and Sukuk)	17	689,266,382
Rights Issue	2	104,500,000
Bonus Shares	5	12,611,469
Private subscription	5	19,327,824
<b>Total</b>	<b>33</b>	<b>1,815,899,382</b>
Bonds converted into shares or company mergers	2	123,414,686
Reduction in Capital	5	40,263,030
De-listed Companies.	3	23,058,477





MSX30 Index & Turnover (Rial ‘000’) - Monthly

Date	MSX30 Index	Turnover (Rial ‘000’)
Jan 2024	4,561.85	90,072.09
Feb 2024	4,554.85	129,795.17
Mar 2024	4,635.71	84,460.88
Apr 2024	4,784.23	119,059.28
May 2024	4,845.73	93,691.36
Jun 2024	4,687.26	42,045.56
Jul 2024	4,661.63	152,387.45
Aug 2024	4,746.41	45,013.01
Sep 2024	4,710.31	69,621.86
Oct 2024	4,749.34	198,442.58
Nov 2024	4,563.05	120,584.85
Dec 2024	4,576.60	112,125.24



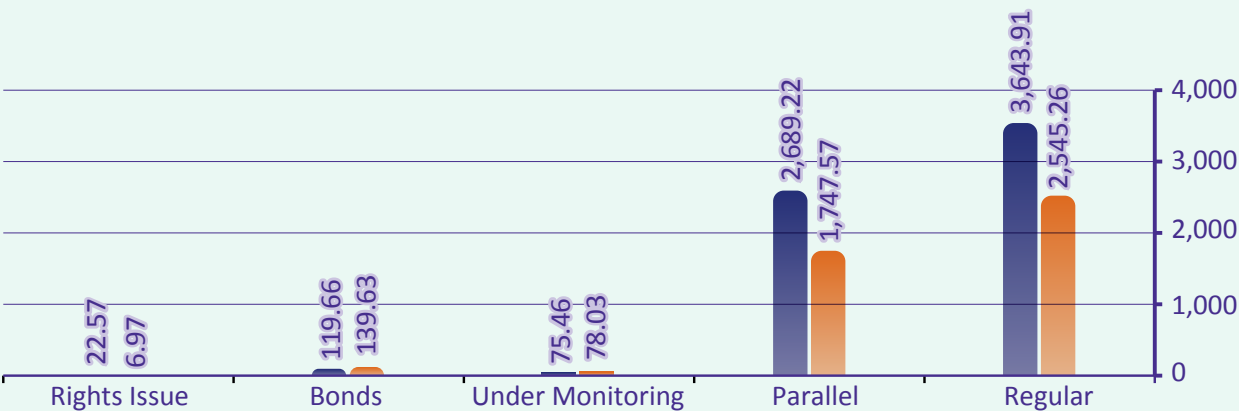
MSX Indices Sector

Sector	2023	2024	% Change
MSX30 Index	4,514.07	4,576.60	1.39%
Financial Index	7,392.67	7,725.85	4.51%
Industrial Index	5,475.23	5,270.70	-3.74%
Services Index	1,565.55	1,743.08	11.34%
MSX Shariah Index	447.08	425.50	-4.83%
MSX Total Return Index	5,950.08	6,409.53	7.72%
Financial TR Index	8,066.76	8,777.36	8.81%
Industrial TR Index	5,848.91	6,081.14	3.97%
Services TR Index	1,741.66	2,085.83	19.76%



Trading Activity - No. of Securities Traded (Million) Market-wise

Market	2023	2024	% Change
Regular	2,545.26	3,643.91	43.16%
Parallel	1,747.57	2,689.22	53.88%
Under Monitoring	78.03	75.46	-3.30%
Bonds	139.63	119.66	-14.30%
Rights Issue	6.96	22.57	224%
Total	4,517.45	6,550.82	45.01%



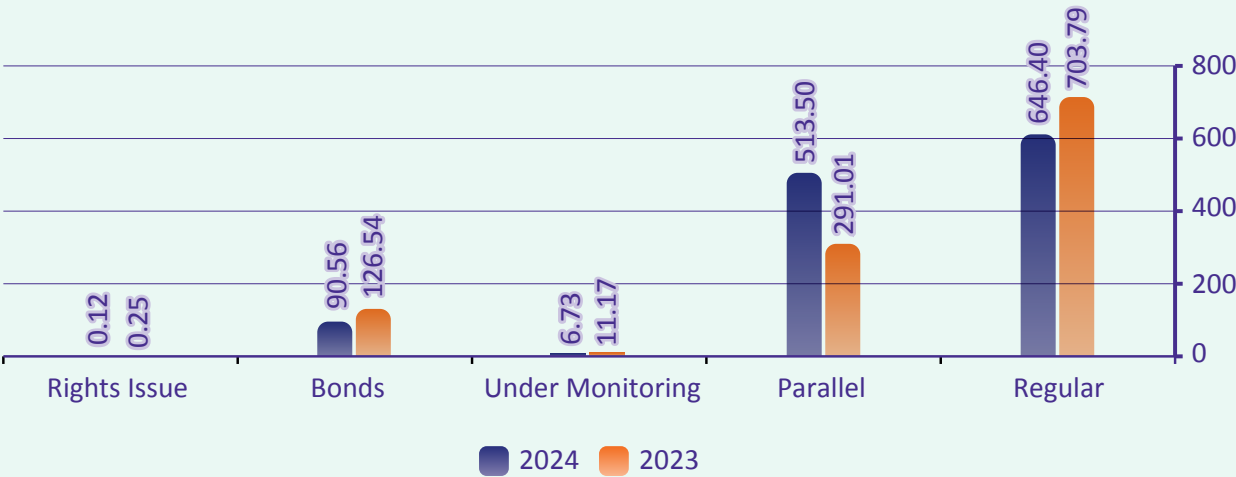
Trading Activity - No. of Securities Traded (Million) Sector-wise

Sector	2023	2024	% Change
Financial	2,529.69	2,562.13	1.28%
Industrial	412.76	653.65	58.36%
Services	1,386.46	2,933.17	111.56%
Bonds	139.63	119.66	-14.30%
Fund	48.92	282.20	476.81%
Total	4,517.46	6,550.82	45.01%



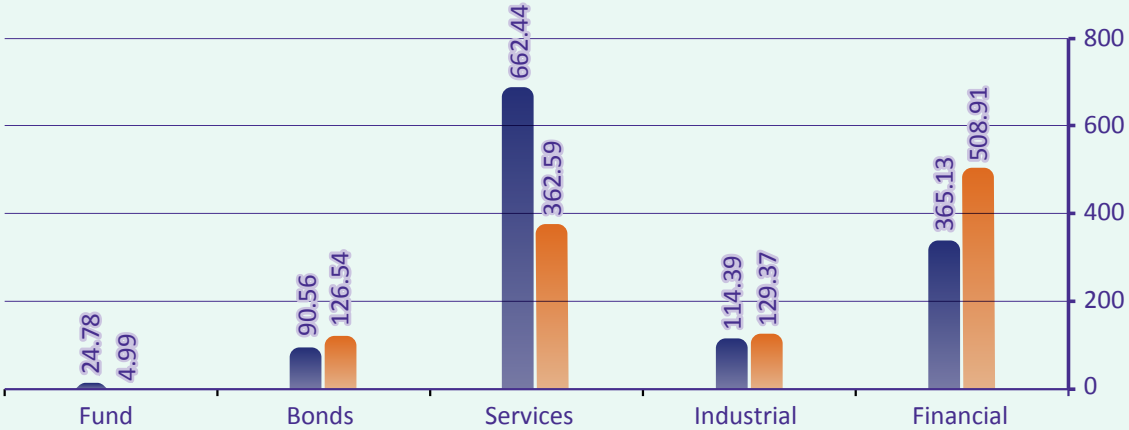
Trading Activity - No. of Securities Traded (Million) - Market

Market	2023	2024	% Change
Regular	703.79	646.40	-8.15%
Parallel	291.01	513.50	76.45%
Under Monitoring	11.17	6.73	-39.76%
Bonds	126.54	90.56	-28.43%
Rights Issue	0.25	0.12	-52%
Total	1,132.75	1,257.30	11.00%



Trading Activity - Value of Securities Traded (Million R.O.)  
Sector-wise

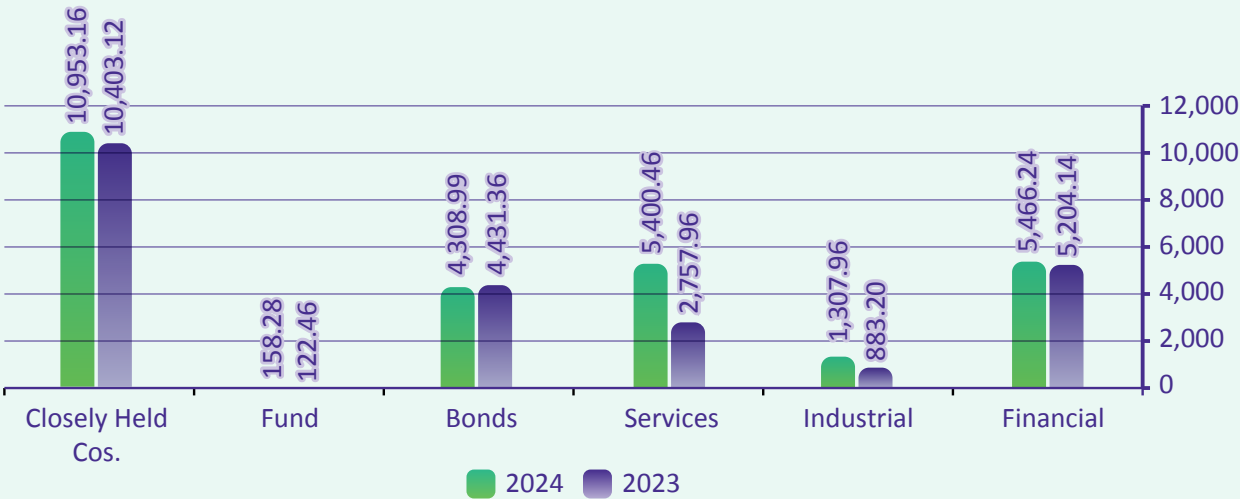
Sector	2023	2024	% Change
Financial	508.91	365.13	-28.25%
Industrial	129.73	114.39	-11.82%
Services	362.59	662.44	82.70%
Bonds	126.54	90.56	-28.43%
Fund	4.99	24.78	396.58%
Total	1,132.75	1,257.30	11.00%





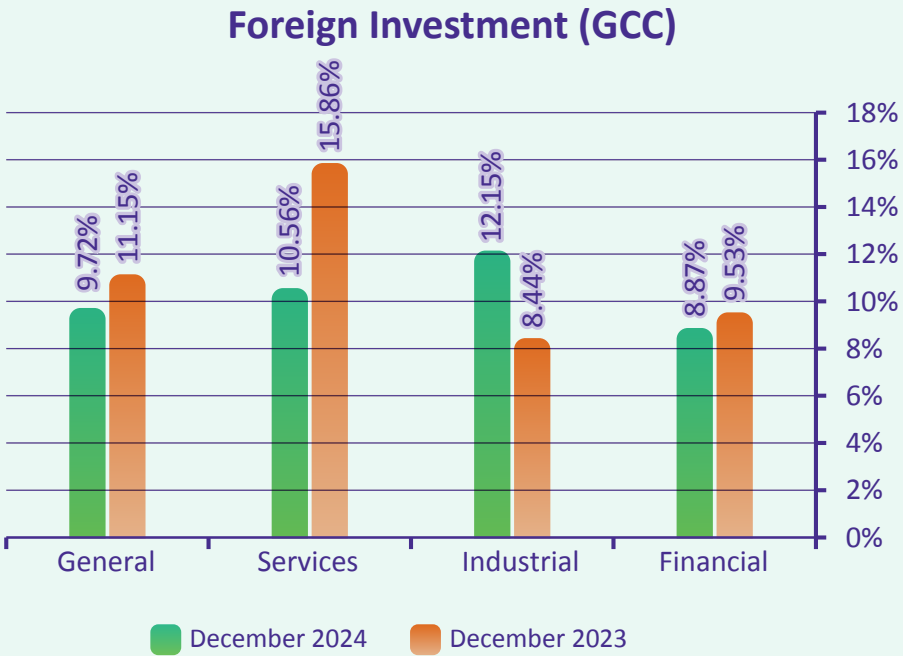
Market Capitalization (Million R.O.)

Sector	2023	2024	Change %
Financial	5,204.14	5,466.24	5.04%
Industrial	883.20	1,307.96	48.09%
Services	2,757.96	5,400.46	95.81%
Bonds	4,431.36	4,308.99	-2.76%
Fund	122.46	158.28	29.25%
Closely Held Cos.	10,403.12	10,953.16	5.29%
Total	23,802.24	27,595.09	15.93%



Foreign Investment

Period	Financial		Industrial		Services		General		Total
	GCC	Foreign-ers	GCC	Foreign-ers	GCC	Foreign-ers	GCC	Foreign-ers	
December 2023	9.53%	5.27%	8.44%	15.99%	15.86%	16.72%	11.15%	9.14%	20.29%
December 2024	8.87%	3.73%	12.15%	7.85%	10.56%	10.53%	9.72%	6.58%	16.30%
Change %	-6.93%	-29.22%	43.96%	-50.91%	-33.42%	-37.02%	-12.83%	-28.01%	-19.66%



### Foreign Investment (Foreigners)



### Brokerage Cos - Market Share 2024

Rank	Name of Brokerage Co.	Buy			Sell			Mkt. Share % 2024
		No. of Traded Securities	Turnover (Rial R.O.)	No. of Trades	No. of Traded Securities	Turnover (Rial R.O.)	No. of Trades	
1	UNITED SECURITIES	2,004,575,363	416,738,146	67,451	2,188,301,036	459,600,648	62,578	34.85 %
2	Ubhar Capital	1,427,213,166	278,845,463	26,088	1,542,204,066	297,594,158	23,226	22.92 %
3	Vision Securities	555,676,933	118,630,393	23,013	548,335,203	112,013,162	22,473	9.17 %
4	Global Financial Securities	689,688,058	115,675,252	36,891	667,845,087	109,594,880	45,195	8.96 %
5	Financial Services (SAOG)	491,481,581	66,129,326	27,683	566,263,735	81,591,945	51,275	5.87 %
6	National Bank of Oman (SAOG)	286,728,733	61,509,106	20,161	117,195,999	39,051,723	7,461	4.00 %
7	Horizons Capital Markets	376,232,794	59,311,087	19,597	256,743,024	38,873,974	20,519	3.90 %
8	AHLI BANK	289,764,669	47,928,175	6,773	320,842,182	49,876,148	7,733	3.89 %
9	United Securities - Market Making	47,200,069	26,124,889	8,290	39,246,100	21,913,970	3,136	1.91 %
10	Ubhar Capital - Market Making	152,952,972	23,109,910	12,804	140,469,169	21,358,666	6,277	1.77 %
11	Financial Corporation	110,839,728	23,997,068	6,141	85,063,671	14,232,367	5,851	1.52 %
12	Jabal Asset Management	99,489,250	14,570,880	1,202	66,966,685	9,066,106	50	0.94 %
13	CFI Financial	18,781,511	4,702,911	1,366	11,321,009	2,527,434	1,741	0.29 %
14	International Securities L.L.C - Tabadul	183,621	25,161	78	20,408	3,765	25	0.00 %
15	Al Ramz Capital - Tabadul	11,026	1,576	6	2,100	398	4	0.00 %
Total		6,550,819,474	1,257,299,343	257,544	6,550,819,474	1,257,299,343	257,544	100 %

# Consolidated Financial Statements

---







Ernst & Young LLC  
P.O. Box 1750, Ruwi 112  
5th Floor, Landmark Building  
Opposite Al Ameen Mosque  
Bowsher, Muscat  
Sultanate of Oman  
Tax Card No. 8218320

Tel : +968 22 504 559  
Fax : +968 22 060 810  
muscat@om.ey.com  
ey.com  
C.R No. 1224013  
PR No. HMH/15/2015; HMA/9/2015

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MUSCAT STOCK EXCHANGE SAOC

### Report on the audit of the consolidated financial statements

#### Opinion

We have audited the consolidated financial statements of Muscat Stock Exchange SAOC (the "Group"), which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

#### 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 financial statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in 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.

#### Emphasis of matter

We draw attention to the Note 10 in the consolidated financial statements, which describes the key assumptions considered in the financial projections used for calculation of the recoverable amount for impairment testing of intangible assets. These financial projections include an estimate of the future cash inflows from certain sources that are dependent on finalization of the revised terms / income streams currently under discussion with the Financial Services Authority. Our opinion is not modified in respect of this matter.

#### Other matter

The financial statements of the Group for the year ended 31 December 2023 was audited by another auditor who expressed an unmodified opinion on those financial statements on 19 March 2024.

#### Other information

The other information comprises of Board of Directors' report. Management is responsible for the other information.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MUSCAT STOCK EXCHANGE SAOC

### Report on the audit of the consolidated financial statements (continued)

#### Responsibilities of Management and Audit Committee for the financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with the relevant requirements of the Commercial Companies Law of 2019 of the Sultanate of Oman, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing 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 Group or to cease operations, or has no realistic alternative but to do so.

Audit Committee are responsible for overseeing the Group's financial reporting process.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 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 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



## MUSCAT STOCK EXCHANGE SAOC

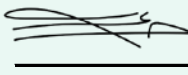
### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

		2024 RO	2023 RO
<b>ASSETS</b>	<i>Notes</i>		
<b>Non-current assets</b>			
Property and equipment	7	4,390,778	4,146,289
Investment property	7	298,977	312,619
Deferred tax asset	21	8,247	2,532
Term deposit	9	10,718,520	12,998,207
Intangible assets	10	10,229,673	10,273,259
Contribution in Settlement Default Fund	13	492,248	480,508
<b>Total non-current assets</b>		<b>26,138,443</b>	<b>28,213,414</b>
<b>Current assets</b>			
Trade and other receivables	11	1,049,254	753,870
Term deposit	9	2,722,893	1,918,000
Cash and bank balances	12	4,580,940	3,647,039
<b>Total current assets</b>		<b>8,353,087</b>	<b>6,318,909</b>
<b>Total assets</b>		<b>34,491,530</b>	<b>34,532,323</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	14	15,000,000	15,000,000
Legal reserve		1,199,254	883,805
Development reserve		1,209,004	716,616
Retained earnings		8,439,976	7,548,609
<b>Equity attributable to the shareholders of the Parent Company</b>		<b>25,848,234</b>	<b>24,149,030</b>
Non-controlling interest		1,299,018	2,341,451
<b>Total equity</b>		<b>27,147,252</b>	<b>26,490,481</b>
<b>Non-current liabilities</b>			
Employees' end of service benefits	15	267,244	222,543
Government bonds - deferred management fees	16	289,497	305,898
<b>Total non-current liabilities</b>		<b>556,741</b>	<b>528,441</b>
<b>Current liabilities</b>			
Payables and accruals	15	4,376,871	5,443,526
Membership fees received in advance	16	1,675,010	1,470,676
Government bonds - deferred management fees	16	186,415	169,315
Income tax payable	21	549,241	429,884
<b>Total current liabilities</b>		<b>6,787,537</b>	<b>7,513,401</b>
<b>Total liabilities</b>		<b>7,344,278</b>	<b>8,041,842</b>
<b>Total equity and liabilities</b>		<b>34,491,530</b>	<b>34,532,323</b>

The financial statements were approved and authorised for issue by the Board of Directors on \_\_\_\_\_ and signed on their behalf by:

  
Chairman

  
Director

## MUSCAT STOCK EXCHANGE SAOC

### CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	2024 RO	2023 RO
<b>Cash flows from operating activities</b>		
Profit before tax for the period	2,644,292	1,589,318
<b>Adjustments for:</b>		
Interest income	(2,733,488)	(2,449,408)
Depreciation on property and equipment and investment property	352,615	352,113
Amortisation on intangible assets	62,691	124,623
Amortisation of right of use assets	-	3,464
Provision for employees' end of service benefits	102,838	27,301
Interest on settlement default	-	(7,993)
Loss on sale of property and equipment	3,837	-
Provision for expected credit losses	19,467	5,559
	<b>452,252</b>	<b>(355,023)</b>
<b>Working capital changes</b>		
Trade and other receivables	(314,851)	35,476
Bonds management fee	699	(186,614)
Contribution in Settlement Default Fund	(11,740)	(6,933)
Membership fees received in advance	204,334	(27,333)
Payables and accruals	708,344	699,329
<b>Cash flow (used in) / generated from operating activities</b>	<b>1,039,038</b>	<b>158,902</b>
Employees' end of services paid	(58,137)	(54,136)
Income tax paid	(429,884)	(308,193)
<b>Net cash flows used in operating activities</b>	<b>551,017</b>	<b>(203,427)</b>
<b>Cash flows from investing activities</b>		
Additions to property and equipment	(587,299)	(319,682)
Additions to intangible assets	(19,105)	(9,210)
Acquisition of subsidiaries	(1,101,954)	-
Amount paid to Financial Services Authority	(1,775,000)	(3,000,000)
Interest received	2,733,488	2,449,408
Term deposits matured	1,474,794	912,979
<b>Net cash flows generated from investing activities</b>	<b>724,924</b>	<b>33,495</b>
<b>Cash flows from financing activities</b>		
Payment of lease liabilities	-	(3,600)
Dividend paid to NCI	(342,040)	(275,610)
<b>Net cash flows used in financing activities</b>	<b>(342,040)</b>	<b>(279,210)</b>
<b>Net change in cash and cash equivalents</b>	<b>933,901</b>	<b>(449,142)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>3,647,039</b>	<b>4,096,181</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>4,580,940</b>	<b>3,647,039</b>

MUSCAT STOCK EXCHANGE SAOC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
For the year ended 31 December 2024

	Share capital	Development reserve	Legal reserve	Retained earnings	Total	Non-controlling interest	Total
	RO	RO	RO	RO	RO	RO	RO
At 1 January 2023	15,000,000	288,810	608,220	7,068,676	22,965,706	2,138,929	25,104,635
Profit and total comprehensive income for the year	-	-	-	1,183,324	1,183,324	478,132	1,661,456
Transfer to legal reserves	-	-	275,585	(275,585)	-	-	-
Transfer to development reserves	-	427,806	-	(427,806)	-	-	-
Dividends paid by subsidiary	-	-	-	-	-	(275,610)	(275,610)
As at 31 December 2023	15,000,000	716,616	883,805	7,548,609	24,149,030	2,341,451	26,490,481
Net profit and total comprehensive income for the year	-	-	-	1,572,275	1,572,275	528,490	2,100,765
Transfer to legal reserves	-	-	315,449	(315,449)	-	-	-
Transfer to development reserves	-	492,388	-	(492,388)	-	-	-
Dividends paid by subsidiary	-	-	-	-	-	(342,040)	(342,040)
Acquisition of Non Controlling Interest	-	-	-	126,929	126,929	(1,228,883)	(1,101,954)
As at 31 December 2024	15,000,000	1,209,004	1,199,254	8,439,976	25,848,234	1,299,018	27,147,252

Muscat Stock Exchange SAOC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
At 31 December 2024

1 LEGAL STATUS AND ACTIVITIES

Muscat Stock Exchange SAOC ("the Parent Company" or "MSX") is a closed Omani joint stock 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	
		2024	2023
Muscat Clearing and Depository Company SAOC	- Maintenance of shareholders' 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  - Issuance of ownership certificates  - Providing information in respect of shareholders and owners of other securities.	89.32%	79.88%

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

The Subsidiary operates under a Concession Agreement (the "Agreement") entered with Financial Services Authority ("FSA") [formerly: Capital Market Authority ("CMA")] dated 19 September 2000, effective from 01 January 1999. The Subsidiary carries out services relating to depository and securities registration and maintenance of shareholders registers.

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

- (a) The period of the Agreement is 25 years. The Company is required to submit to Financial Services Authority (FSA) an application for renewal of the Agreement at least one year before the expiry date of the Agreement.
- (b) The FSA agrees to provide the Company the exclusive rights of providing the services set out in (Note 1) to these financial statements.
- (c) The Company undertakes not to conduct any commercial operations other than the activities without obtaining approval of FSA.
- (d) The Company undertakes not to cease its operations or liquidate its business during the period of the Agreement.



Muscat Stock Exchange SAOC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2024

1 LEGAL STATUS AND ACTIVITIES (continued)

1.1 Concession agreement (continued)

During 2024, the Subsidiary obtained a clarification from FSA with regards to the expiry of the agreement wherein it was clarified by the FSA representative that the agreement is effective until 19 September 2025. Subsequent to the year end on 20 February 2025, the Subsidiary received a confirmation from FSA that there will be no hinderance to the operations of the Subsidiary until the renewed arrangement is finalised. Hence, accordingly these financial statements have been prepared on a going concern basis.

2 BASIS OF PREPARATION

Statement of compliance

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS Accounting Standards) and the applicable provisions of the Commercial Companies Law (CCL) and Regulations (CCR) of the Sultanate of Oman.

Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention and going concern assumption. The preparation of consolidated financial statements is in conformity with IFRS Accounting Standards 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 consolidated financial statements are presented in Omani Rials (RO), which is the Parent Company's and the Group's functional and reporting currency.

3 ADOPTION OF NEW AND REVISED IFRS

Adoption of new and revised IFRS

For the year ended 31 December 2024, the Company has adopted below mentioned new and revised standards and interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for periods beginning on 1 January 2024.

Standard or amendments	Title	Effective for annual periods beginning on or after
Amendments to IAS 1	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants	1 January 2024
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 7 and IFRS 7	Disclosures: Supplier Finance Arrangements	1 January 2024
Amendments to IAS 12	International Tax Reform – Pillar Two Model Rules	1 January 2024

The above standards do not have any material impact on the financial statements of the Company. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Muscat Stock Exchange SAOC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2024

3 ADOPTION OF NEW AND REVISED IFRS (continued)

Standards issued but not yet effective

Standard or amendments	Title	Effective for annual periods
Amendments to IAS 21	Lack of exchangeability	1 January 2025
Annual Improvements to IFRS Accounting Standards—Volume 11	Various amendments	1 January 2026
Amendments to IFRS 9 and IFRS 7	Power Purchase Agreements	1 January 2026
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	1 January 2026
New Standard IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
New Standard IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

The amendments are not expected to have a material impact on the Company's financial statements.

The material accounting policies applied in the preparation of these financial statements are summarized below. These policies have been consistently applied to each of the years presented, unless otherwise stated.

4 MATERIAL ACCOUNTING POLICIES

Material accounting policies adopted in the preparation of these consolidated financial statements are 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.

4 MATERIAL ACCOUNTING POLICIES (continued)

4.1 Basis of consolidation (continued)

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, 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.

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 Parent Company and 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.

4 MATERIAL ACCOUNTING POLICIES (continued)

4.3 Income recognition (continued)

The Parent Company and 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 Parent Company and 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 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 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 on a straight-line basis over the period to which the fee relates.

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 Rate (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 Parent Company and 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.

**4 MATERIAL ACCOUNTING POLICIES (continued)****4.6 Financial instruments (continued)****Financial assets (continued)****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 Parent Company and the Group's profit or loss or other comprehensive income.

**Measurement**

At initial recognition, the Parent Company and 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 EIR.

**Derecognition of financial assets**

The Parent Company and 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

**4 MATERIAL ACCOUNTING POLICIES (continued)****4.6 Financial instruments (continued)****Financial assets (continued)****Impairment of financial assets**

The Parent Company and 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 Parent Company and 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 Parent Company and 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.

**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 Parent Company and 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.



4 MATERIAL ACCOUNTING POLICIES (continued)

4.6 Financial instruments (continued)

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 Parent Company and 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:

	No. of years
Building	25
Decoration	5
Office, furniture and equipment	3-5
Motor vehicles	4
Computer equipment	5-7
Leasehold improvements	5

4 MATERIAL ACCOUNTING POLICIES (continued)

4.7 Property and equipment (continued)

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 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.

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 acquisition at the following rates:

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 consolidatedly 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 has reviewed the assets of the Parent Company and the Group and is of the opinion that no impairment has occurred to any of the Parent Company's and 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 MATERIAL ACCOUNTING POLICIES (continued)****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 impairment where it is considered necessary.

- (a) Cost relating to trading system are capitalised and amortised on a straight-line basis over their estimated useful lives of 10 years.
- (b) Cost relating to operating system are capitalised and amortised on a straight-line basis over their estimated useful lives of 3 years.
- (c) Cost relating to Concession agreement right is being amortised over its useful life of 25 years (Note 1.1).
- (d) Cost relating to MSX license are capitalised and not amortised as it has indefinite useful life. Further, impairment testing of the license is performed annually, by comparing its carrying amount with recoverable amount, irrespective of whether there is any indication of impairment. Loss arising on the impairment testing of the licence are determined as the difference between the recoverable amount and the carrying amount of the licence and are recognised in profit or loss as expense.

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 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.

**4.13 Employees' end of service benefits**

The Parent Company and 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 profit or loss as incurred.

**4 MATERIAL ACCOUNTING POLICIES (continued)****4.13 Employees' end of service benefits (continued)**

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 Parent Company and 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.

**4 MATERIAL ACCOUNTING POLICIES (continued)****4.15 Leases (continued)*****Lease liabilities (continued)***

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.

**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 Parent Company's and 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 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 Parent Company and the Group reviews the financial position of the Parent Company and 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.

**5 SIGNIFICANT MANAGEMENT JUDGMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY (continued)****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 Parent Company's and the Group's financial statements require measurement at, and/or disclosure of, fair value. The fair value measurement of the Parent Company's and 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 Parent Company and 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.

Muscat Stock Exchange SAOC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2024

6 Property, plant and equipment

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

	Land RO	Building RO	Decoration RO	Office, furniture and equipment RO	Motor vehicles RO	Computer equipment RO	Leasehold improvements RO	Capital work- in-progress RO	Total RO
<b>Cost</b>									
At 31 December 2024	2,329,542	1,442,883	183,635	368,223	54,281	5,563,748	7,777	420,289	10,370,378
Additions	-	4,526	-	5,380	34,518	94,872	80,195	367,808	587,299
Disposal	-	12,617	11,104	15,611	-	67,082	-	(106,414)	-
Transfers	-	(8,215)	(262)	(19,393)	-	-	-	-	(27,870)
At 31 December 2024	2,329,542	1,451,811	183,635	373,603	88,799	5,658,620	87,972	788,097	10,929,807
<b>Accumulated depreciation</b>									
At 31 December 2024	-	592,483	183,582	340,509	47,760	5,055,467	4,288	-	6,224,089
Charge for the year	-	57,906	1,457	10,253	177,740	80,581	11,036	-	338,973
Disposal during the year	-	(4,378)	(262)	(19,393)	-	-	-	-	(24,033)
At 31 December 2024	-	646,011	184,777	331,369	225,500	5,136,048	15,324	-	6,539,029
<b>Carrying amount</b>									
At 31 December 2024	2,329,542	805,800	(1,142)	42,234	(136,701)	522,572	72,648	788,097	4,390,778

(i) Capital work-in-progress represents the expenditure incurred for software development, booth and air conditioner which is expected to be completed during the year 2025.

Muscat Stock Exchange SAOC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2024

6 Property, plant and equipment (continued)

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

	Land RO	Building RO	Decoration RO	Office, furniture and equipment RO	Motor vehicles RO	Computer equipment RO	Leasehold improvements RO	Capital work- in-progress RO	Total RO
<b>Cost</b>									
At 31 December 2023	2,329,542	1,361,891	183,770	381,112	54,281	5,552,246	5,962	247,909	10,116,713
Additions during the year	-	80,992	-	11,177	-	53,318	1,815	172,380	319,682
Disposal during the year	-	-	(135)	(24,066)	-	(41,816)	-	-	(66,017)
At 31 December 2023	2,329,542	1,442,883	183,635	368,223	54,281	5,563,748	7,777	420,289	10,370,378
<b>Accumulated depreciation</b>									
At 31 December 2023	-	536,511	176,586	354,421	46,015	4,833,970	4,133	-	5,951,636
Charge for the year	-	55,972	7,131	10,154	1,745	263,313	155	-	338,470
Disposal during the year	-	-	(135)	(24,066)	-	(41,816)	-	-	(66,017)
At 31 December 2023	-	592,483	183,582	340,509	47,760	5,055,467	4,288	-	6,224,089
<b>Carrying amount</b>									
At 31 December 2023	2,329,542	850,400	53	27,714	6,521	508,281	3,489	420,289	4,146,289

**Muscat Stock Exchange SAOC**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
At 31 December 2024

**7 Property and equipment**

**(b) Investment property**

	2024 RO	2023 RO
<b>Cost</b>		
Opening balance	341,040	341,040
Closing balance	341,040	341,040
<b>Accumulated depreciation</b>		
At 1 January	28,421	14,778
Charge for the year	13,642	13,643
At 31 December	42,063	28,421
Net book amount	298,977	312,619

Investment property represents building which was valued at RO 324,000 (level 3), based on the valuation performed by the independent professional qualified property valuer on 20 October 2021. The fair value at reporting date is not significantly different than the above valuation.

**8 Investment in a subsidiary**

The Parent Company has the following investment in a subsidiary:

	Country of Incorporation	2024 RO	2023 RO
Muscat Clearing and Depository Company SAOC	Sultanate of Oman	89.32%	79.88%

Muscat Clearing and Depository Company SAOC (the "Subsidiary" or "MCD") is registered in Oman as a 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 MSX, 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.

	2024 RO	2023 RO
Opening balance	3,400,739	3,400,739
Acquired during the year	1,101,954	-
Closing balance	4,502,693	3,400,739

During the year, the Parent Company acquired additional stake of 9.44% with total holding of 89.32% in Muscat Clearing and Depository SAOC (the "Subsidiary") and recognised an amount of RO 1,412,873 in NCI in relation to the acquisition of a subsidiary.

The Parent Company received dividend of RO 1,358,003 [2023: RO 575,154] from the Subsidiary in 2024.

**Muscat Stock Exchange SAOC**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
At 31 December 2024

**9 Term deposit**

	2024 RO	2023 RO
Term deposit	13,441,413	14,916,207
Less: Current portion	(2,722,893)	(1,918,000)
Non-current	10,718,520	12,998,207

Term deposits are placed with local commercial banks in Oman with maturity in 2024 to 2028 and earn annual interest ranging from 4.25% to 5.58% (2023: 4.10% to 5.85%)

**10 Intangible assets**

	MSX license RO	Trading system and license RO	Concession agreement RO	Total RO
<b>Cost</b>				
At 1 January 2024	10,000,000	539,323	650,000	11,189,323
Addition during the year	-	19,105	-	19,105
At 31 December 2024	10,000,000	558,428	650,000	11,208,428
<b>Accumulated amortisation</b>				
At 1 January 2024	-	266,064	650,000	916,064
Charge for the period	-	62,691	-	62,691
At 31 December 2024	-	328,755	650,000	978,755
<b>At 31 December 2024</b>	<b>10,000,000</b>	<b>229,673</b>	<b>-</b>	<b>10,229,673</b>

	MSX license RO	Trading system and license RO	Concession agreement RO	Total RO
<b>Cost</b>				
At 1 January 2023	10,000,000	530,113	650,000	11,180,113
Additions during the year	-	9,210	-	9,210
At 31 December 2023	10,000,000	539,323	650,000	11,189,323
<b>Accumulated amortisation</b>				
At 1 January 2023	-	167,331	624,110	791,441
Charge for the year	-	98,733	25,890	124,623
At 31 December 2023	-	266,064	650,000	916,064
<b>At 31 December 2023</b>	<b>10,000,000</b>	<b>273,259</b>	<b>-</b>	<b>10,273,259</b>



Muscat Stock Exchange SAOC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2024

10 Intangible assets (continued)

The MSX license is not amortised as it has indefinite useful life. At reporting date, Management has tested the license for impairment in accordance with IAS 36 "Impairment of Assets" and has concluded that there is no impairment loss at 31 December 2024 since the estimated recoverable amount is higher than the carrying value.

The key assumptions forming the basis for the impairment test are as follows:

- Substantial annual increase in income from new fees (trade fees, fees to issuer, broker membership fees, and others) and dividend income from Subsidiary;
- Commission income will decrease to encourage activity and be aligned with the regional market from 0.05% to 0.025%;
- Listing fee was calculated previously on the share capital amount, this resulted in a disproportionate fee. The revised fee will be based on the percentage of market capitalization;
- A terminal value growth rate of 1.87% and a discount factor of 15.60% were considered.

Factor		Change in	Impairment
		recoverable amount (RO)	
Discount rate	+1%	1,368,825	2,151,190
Terminal value growth rate	-0.5%	465,552	1,247,916

11 Trade and other receivable

	2024 RO	2023 RO
Trade receivables	681,322	260,718
Less: Allowance for credit losses	(128,304)	(93,737)
	553,018	166,981
Accrued income	36,089	50,754
Prepaid expenses	65,214	89,334
Employees receivable	1,955	3,424
Amount due from a related party	10,001	76,132
Income tax refundable	223,443	223,443
VAT refundable	-	44,102
Other receivables	159,534	99,700
	1,049,254	753,870

The carrying value of receivables and prepayments is considered to be a reasonable approximation of fair value.

The impaired trade receivables are mostly due from customers in the market that are experiencing financial difficulties. Provisions for impairment in receivables is as follows:

	2024 RO	2023 RO
At 1 January	93,737	88,178
Charge for the year	53,113	57,664
Release during the year	(18,546)	(32,930)
Written off during the year	-	(19,175)
At 31 December	128,304	93,737

Muscat Stock Exchange SAOC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2024

12 Cash and bank balances

	2024 RO	2023 RO
Cash in hand	110	58
Cash at bank:		
Current account	264,797	76,973
Call account	4,316,033	3,570,008
	4,580,940	3,647,039

The Company has assessed the ECL impact on the bank deposits and the impact of ECL is found to be immaterial, therefore no ECL is recorded in these financial statements. All these deposits in the bank accounts are made with highly rated commercial banks in Oman.

13 Contribution in Settlement Default Fund

	2024 RO	2023 RO
At 1 January	480,508	465,582
Interest on Settlement Default Fund	11,740	14,926
At 31 December	492,248	480,508

This amount has been paid against Settlement Default Fund, where there is no maturity date for such investment and income will be received as interest.

14 Share capital and reserves

a. Share capital

	2024 RO	2023 RO
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 (2023: 15,000,000 of RO 1 each)	15,000,000	15,000,000

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

At the reporting date, the following shareholders held 5% or more of the shares of the Subsidiary:

	2024 Shareholding %	RO	2023 Shareholding %	RO
Muscat Stock Exchange SAOC	89.32	4,465,822	79.88	3,994,125
Oman International Development & Investment Company SAOG	-	-	9.43	471,697

b. Legal reserve

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

c. Development reserve

The Board of Directors of the Subsidiary has resolved to transfer annually to a non-distributable development reserve, an amount equal to 20% (2023:20%) of the net profit after tax and after transfer to the legal reserve.

**Muscat Stock Exchange SAOC**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
At 31 December 2024

**15 Employees' end of service benefits**

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

	2024 RO	2023 RO
Opening	222,543	249,378
Provided during the year	102,838	27,301
End of service paid	(58,137)	(54,136)
At 31 December	267,244	222,543

**16 Government bonds - deferred management fees**

	2024 RO	2023 RO
At 1 January	475,213	661,827
Issued during the year	212,010	33,771
Amortized during the year	(211,311)	(220,385)
	475,912	475,213
Current portion	(186,415)	(169,315)
Non-current portion	289,497	305,898

**17 Payables and accruals**

	2024 RO	2023 RO
Amount due to Financial Services Authority	2,000,000	3,702,321
Accrued expenses	1,479,836	1,022,031
Other payables	897,035	719,174
	4,376,871	5,443,526

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

**Amounts due to Financial Services Authority**

	2024 RO	2023 RO
Opening	3,702,321	6,290,166
Interest on deferred payments	(53,766)	(53,766)
Less: payments made during the year	(1,775,000)	(3,000,000)
Other payable from FSA	126,445	465,921
	2,000,000	3,702,321

**Muscat Stock Exchange SAOC**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
At 31 December 2024

**16 Commission income, membership and subscription fee**

**Commission income**

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

**Membership and subscription fees**

	2024 RO	2023 RO
Membership fees	2,885,209	2,892,156
Subscription fees	41,100	21,000
	2,926,309	2,913,156

**Membership fee received in advance**

	2024 RO	2023 RO
At 1 January	1,470,686	1,498,009
Billed during the year	1,673,894	1,436,786
Recognised as revenue during the year	(1,469,570)	(1,464,109)
At 31 December	1,675,010	1,470,686

**17 Management and other income**

	2024 RO	2023 RO
Trustee fees	358,542	309,500
Government bond management fees	211,311	309,500
Dividend management fees for joint stock companies	838,845	466,620
General assembly meetings management fees	418,277	345,227
Fee for use of MSX information	178,120	128,261
Investors' Trust Fund management fees	100,000	76,133
Mortgage fees	39,404	22,737
Clearance and settlement service fees	25,582	55,250
Others	116,517	51,994
	2,286,598	1,765,222

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.

**18 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.

## Muscat Stock Exchange SAOC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2024

#### 19 Salaries and related cost

	2024 RO	2023 RO
Salaries and allowances	3,605,859	3,431,732
Employees' bonuses	576,712	273,381
Contribution to defined retirement contribution plan	395,791	358,999
Leave salaries	36,479	4,518
Contribution to defined end of service benefits plan	78,854	188,714
Staff housing expense	16,289	57,632
	<u>4,709,984</u>	<u>4,314,976</u>

#### 20 General and administrative expense

	2024 RO	2023 RO
IT related expenses	472,570	440,379
Miscellaneous expenses	371,028	139,419
FSA portion of commission income (see below)	354,845	216,129
Professional fees	291,984	370,984
Repairs and maintenance expenses	275,194	261,400
Directors' remuneration	180,000	130,000
Insurance expenses	159,386	153,266
Advertising, publicity and subscriptions	152,317	245,788
Training and scholarship expenses	132,643	123,722
Annual licence expenses	119,863	67,562
Directors' sitting fee	89,308	97,144
Security services	77,420	74,160
Electricity and water	76,076	63,658
Postage, internet and telephone charges	63,965	78,688
Official mission expenses	49,898	127,297
Cleaning expense	39,996	37,310
Donations	30,000	30,000
Rent expenses	20,181	8,936
Printing and stationery expenses	15,322	16,561
Provision for expected credit losses	15,100	24,934
Event management costs	-	43,206
	<u>2,987,096</u>	<u>2,750,543</u>

## Muscat Stock Exchange SAOC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2024

#### 21 Taxation

The Group is subject to income tax at the rate of 15% in accordance with the Income Tax Law of the Sultanate of Oman.

	2024 RO	2023 RO
--	------------	------------

#### Separate statement of financial position

Deferred tax (asset) / liability	(8,247)	(2,533)
Income tax payable	<u>549,241</u>	<u>429,884</u>

#### Separate statement of profit or loss

Current tax	549,241	429,884
Deferred tax	(5,714)	(3,553)
	<u>543,527</u>	<u>426,331</u>

#### Current status of tax assessments

Oman Tax Authority has finalized the Group's tax assessment upto the year 2020. The Group's management is of the opinion that additional taxes, if any, related to the open tax years would not be material to the financial position of the Group at 31 December 2024.

Recognized deferred tax (asset) / liability is attributable to the following items:

	At 1 January RO	Recognized in profit or loss RO	At 1 December RO
2024			
Property and equipment	(4,598)	2,795	(1,803)
Allowance for doubtful debts	7,130	2,920	10,050
	<u>2,532</u>	<u>5,715</u>	<u>8,247</u>
2023			
Property and equipment	(10,857)	6,259	(4,598)
Allowance for doubtful debts	9,837	(2,707)	7,130
	<u>(1,020)</u>	<u>3,552</u>	<u>2,532</u>

# Muscat Stock Exchange SAOC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2024

### 22 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 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.

(i) Related party transaction during the year were as follows:  
Compensation paid to key management personnel comprises:

	2024 RO	2023 RO
Salaries and related costs	336,249	188,381
Directors' sitting fees	72,663	59,094
Directors' remuneration	75,000	100,000

(ii) Related party transactions during the year were as follows:

#### Muscat Clearing and Depository Company SAOC (Subsidiary)

Support and control service fee income (Note 20)	249,094	226,449
--	---------	---------

#### Financial Services Authority

FSA portion of commission income (Note 22)	354,845	216,129
IT services (Note 20)	14,838	35,920
Rental income (Note 6)	(12,000)	-

(iii) Balances with related parties at the end of the year were as follows:

Muscat Clearing and Depository Company SAOC (Subsidiary)	89,121	78,708
--	--------	--------

### 23 Financial risk management

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 period as follows:

#### 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 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.

# Muscat Stock Exchange SAOC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2024

### 23 Financial risk management (continued)

#### Credit risk

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

The Group 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.

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

#### Exposure to credit risk

	2024 RO	2023 RO
Trade receivables (gross)	681,322	260,718
Accrued income	36,089	50,754
Term deposit	13,441,413	14,916,207
Bank balances	4,580,830	3,646,981
	18,739,654	18,874,660

The ageing and the lifetime ECL provision for receivables are as follows:

	2024			
	Upto 180 days RO	181 days to 365 days RO	More than 365 days RO	Total RO
Gross carrying amount	87,444	474,701	118,981	681,126
Expected loss provision	(2,245)	(24,322)	(101,737)	(128,304)

	2023			
	Upto 180 days RO	181 days to 365 days RO	More than 365 days RO	Total RO
Gross carrying amount	49,061	140,811	70,846	260,718
Expected loss provision	(1,684)	(21,197)	(70,856)	(93,737)

#### 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.



## Muscat Stock Exchange SAOC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2024

#### 23 Financial risk management (continued)

##### Liquidity risk (continued)

The below schedule shows the maturity profile of the financial liabilities:

	Less than 1 year RO	Total RO
As at December 2024		
Accounts payables and accruals	4,376,871	4,376,871
	<u>4,376,871</u>	<u>4,376,871</u>
As at December 2023		
Accounts payables and accruals	5,443,526	820,785
	<u>5,443,526</u>	<u>820,785</u>

#### 24 Contingencies and commitments

At the reporting date, the Group had capital commitments of RO 186,357 (31 December 2023: RO 189,588). There had been no contingencies as at 31 December 2024 (2023: Nil).

#### 25 Fiduciary accounts

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

Fiduciary accounts as of the reporting date comprise the following:

	2024 RO	2023 RO
Bank Dhofar -management of dividends for joint stock companies ( <i>refer note 'a' below</i> )	5,870,681	3,703,659
Bank Dhofar -Investor Trust Fund ( <i>refer note 'b' below</i> )	112,920	125,168
Cash on hand - Investors Trust Fund ( <i>refer note 'c' below</i> )	1,058	1,170
Cash under Account- Settlement Default Fund ( <i>refer note 'd' below</i> )	250,001	293,841
	<u>6,234,660</u>	<u>4,123,838</u>

- (a) This account is operated by the Subsidiary exclusively in connection with dividend management for joint stock companies. The account is used for the purpose of dividends receipts and onward repayment to shareholders of joint stock companies.
- (b) This account is operated by the Subsidiary exclusively for the purpose of managing payment transactions relating to the Investors Trust Fund that is established and supervised by the Financial Services Authority.
- (c) This account includes the cash amounts received by the Subsidiary for the purpose of managing payment transactions relating to the Investors Trust Fund.
- (d) The Subsidiary has opened an account with the Central Bank of Oman to enable Settlement Default Fund to use this account in case of any shortage in the settlement, since this Fund is acting as Guarantor for the Settlement.

#### 26 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 at their book values for Nil consideration.

## Muscat Stock Exchange SAOC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2024

#### 9 Term deposit

	2024 RO	2023 RO
Term deposit	13,441,413	14,916,207
Less: Current portion	(2,722,893)	(1,918,000)
Non-current	<u>10,718,520</u>	<u>12,998,207</u>

Term deposits are placed with local commercial banks in Oman with maturity in 2024 to 2028 and earn annual interest ranging from 4.25% to 5.58% (2023: 4.10% to 5.85%)

#### 10 Intangible assets

	MSX license RO	Trading system and license RO	Concession agreement RO	Total RO
<b>Cost</b>				
At 1 January 2024	10,000,000	539,323	650,000	11,189,323
Addition during the year	-	19,105	-	19,105
At 31 December 2024	<u>10,000,000</u>	<u>558,428</u>	<u>650,000</u>	<u>11,208,428</u>
<b>Accumulated amortisation</b>				
At 1 January 2024	-	266,064	650,000	916,064
Charge for the period	-	62,691	-	62,691
At 31 December 2024	<u>-</u>	<u>328,755</u>	<u>650,000</u>	<u>978,755</u>
<b>At 31 December 2024</b>	<u>10,000,000</u>	<u>229,673</u>	<u>-</u>	<u>10,229,673</u>
	MSX license RO	Trading system and license RO	Concession agreement RO	Total RO
<b>Cost</b>				
At 1 January 2023	10,000,000	530,113	650,000	11,180,113
Additions during the year	-	9,210	-	9,210
At 31 December 2023	<u>10,000,000</u>	<u>539,323</u>	<u>650,000</u>	<u>11,189,323</u>
<b>Accumulated amortisation</b>				
At 1 January 2023	-	167,331	624,110	791,441
Charge for the year	-	98,733	25,890	124,623
At 31 December 2023	<u>-</u>	<u>266,064</u>	<u>650,000</u>	<u>916,064</u>
At 31 December 2023	<u>10,000,000</u>	<u>273,259</u>	<u>-</u>	<u>10,273,259</u>

## Muscat Stock Exchange SAOC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2024

#### 10 Intangible assets (continued)

The MSX license is not amortised as it has indefinite useful life. At reporting date, Management has tested the license for impairment in accordance with IAS 36 "Impairment of Assets" and has concluded that there is no impairment loss at 31 December 2024 since the estimated recoverable amount is higher than the carrying value.

The key assumptions forming the basis for the impairment test are as follows:

- Substantial annual increase in income from new fees (trade fees, fees to issuer, broker membership fees, and others) and dividend income from Subsidiary;
- Commission income will decrease to encourage activity and be aligned with the regional market from 0.05% to 0.025%;
- Listing fee was calculated previously on the share capital amount, this resulted in a disproportionate fee. The revised fee will be based on the percentage of market capitalization;
- A terminal value growth rate of 1.87% and a discount factor of 15.60% were considered.

<b>Factor</b>		<b>Change in recoverable amount (RO)</b>	<b>Impairment (RO)</b>
Discount rate	+1%	1,368,825	2,151,190
Terminal value growth rate	-0.5%	465,552	1,247,916

#### 11 Trade and other receivable

	<b>2024 RO</b>	<b>2023 RO</b>
Trade receivables	681,322	260,718
Less: Allowance for credit losses	(128,304)	(93,737)
	<b>553,018</b>	166,981
Accrued income	36,089	50,754
Prepaid expenses	65,214	89,334
Employees receivable	1,955	3,424
Amount due from a related party	10,001	76,132
Income tax refundable	223,443	223,443
VAT refundable	-	44,102
Other receivables	159,534	99,700
	<b>1,049,254</b>	753,870

The carrying value of receivables and prepayments is considered to be a reasonable approximation of fair value.

The impaired trade receivables are mostly due from customers in the market that are experiencing financial difficulties. Provisions for impairment in receivables is as follows:

	<b>2024 RO</b>	<b>2023 RO</b>
At 1 January	93,737	88,178
Charge for the year	53,113	57,664
Release during the year	(18,546)	(32,930)
Written off during the year	-	(19,175)
At 31 December	<b>128,304</b>	93,737

## Muscat Stock Exchange SAOC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2024

#### 12 Cash and bank balances

	<b>2024 RO</b>	<b>2023 RO</b>
Cash in hand	110	58
Cash at bank:		
Current account	264,797	76,973
Call account	4,316,033	3,570,008
	<b>4,580,940</b>	3,647,039

The Company has assessed the ECL impact on the bank deposits and the impact of ECL is found to be immaterial, therefore no ECL is recorded in these financial statements. All these deposits in the bank accounts are made with highly rated commercial banks in Oman.

#### 13 Contribution in Settlement Default Fund

	<b>2024 RO</b>	<b>2023 RO</b>
At 1 January	480,508	465,582
Interest on Settlement Default Fund	11,740	14,926
At 31 December	<b>492,248</b>	480,508

This amount has been paid against Settlement Default Fund, where there is no maturity date for such investment and income will be received as interest.

#### 14 Share capital and reserves

##### a. Share capital

	<b>2024 RO</b>	<b>2023 RO</b>
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 (2023: 15,000,000 of RO 1 each)	15,000,000	15,000,000

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

At the reporting date, the following shareholders held 5% or more of the shares of the Subsidiary:

	<b>2024 Shareholding %</b>	<b>RO</b>	<b>2023 Shareholding %</b>	<b>RO</b>
Muscat Stock Exchange SAOC	89.32	4,465,822	79.88	3,994,125
Oman International Development & Investment Company SAOG	-	-	9.43	471,697

##### b. Legal reserve

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

##### c. Development reserve

The Board of Directors of the Subsidiary has resolved to transfer annually to a non-distributable development reserve, an amount equal to 20% (2023:20%) of the net profit after tax and after transfer to the legal reserve.

**Muscat Stock Exchange SAOC**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
At 31 December 2024

**15 Employees' end of service benefits**

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

	2024 RO	2023 RO
Opening	222,543	249,378
Provided during the year	102,838	27,301
End of service paid	(58,137)	(54,136)
At 31 December	267,244	222,543

**16 Government bonds - deferred management fees**

	2024 RO	2023 RO
At 1 January	475,213	661,827
Issued during the year	212,010	33,771
Amortized during the year	(211,311)	(220,385)
	475,912	475,213
Current portion	(186,415)	(169,315)
Non-current portion	289,497	305,898

**17 Payables and accruals**

	2024 RO	2023 RO
Amount due to Financial Services Authority	2,000,000	3,702,321
Accrued expenses	1,479,836	1,022,031
Other payables	897,035	719,174
	4,376,871	5,443,526

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

**Amounts due to Financial Services Authority**

	2024 RO	2023 RO
Opening	3,702,321	6,290,166
Interest on deferred payments	(53,766)	(53,766)
Less: payments made during the year	(1,775,000)	(3,000,000)
Other payable from FSA	126,445	465,921
	2,000,000	3,702,321

**Muscat Stock Exchange SAOC**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
At 31 December 2024

**16 Commission income, membership and subscription fee**

**Commission income**

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

**Membership and subscription fees**

	2024 RO	2023 RO
Membership fees	2,885,209	2,892,156
Subscription fees	41,100	21,000
	2,926,309	2,913,156

**Membership fee received in advance**

	2024 RO	2023 RO
At 1 January	1,470,686	1,498,009
Billed during the year	1,673,894	1,436,786
Recognised as revenue during the year	(1,469,570)	(1,464,109)
At 31 December	1,675,010	1,470,686

**17 Management and other income**

	2024 RO	2023 RO
Trustee fees	358,542	309,500
Government bond management fees	211,311	309,500
Dividend management fees for joint stock companies	838,845	466,620
General assembly meetings management fees	418,277	345,227
Fee for use of MSX information	178,120	128,261
Investors' Trust Fund management fees	100,000	76,133
Mortgage fees	39,404	22,737
Clearance and settlement service fees	25,582	55,250
Others	116,517	51,994
	2,286,598	1,765,222

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.

**18 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.

## 19 Salaries and related cost

	2024 RO	2023 RO
Salaries and allowances	3,605,859	3,431,732
Employees' bonuses	576,712	273,381
Contribution to defined retirement contribution plan	395,791	358,999
Leave salaries	36,479	4,518
Contribution to defined end of service benefits plan	78,854	188,714
Staff housing expense	16,289	57,632
	<u>4,709,984</u>	<u>4,314,976</u>

## 20 General and administrative expense

	2024 RO	2023 RO
IT related expenses	472,570	440,379
Miscellaneous expenses	371,028	139,419
FSA portion of commission income (see below)	354,845	216,129
Professional fees	291,984	370,984
Repairs and maintenance expenses	275,194	261,400
Directors' remuneration	180,000	130,000
Insurance expenses	159,386	153,266
Advertising, publicity and subscriptions	152,317	245,788
Training and scholarship expenses	132,643	123,722
Annual licence expenses	119,863	67,562
Directors' sitting fee	89,308	97,144
Security services	77,420	74,160
Electricity and water	76,076	63,658
Postage, internet and telephone charges	63,965	78,688
Official mission expenses	49,898	127,297
Cleaning expense	39,996	37,310
Donations	30,000	30,000
Rent expenses	20,181	8,936
Printing and stationery expenses	15,322	16,561
Provision for expected credit losses	15,100	24,934
Event management costs	-	43,206
	<u>2,987,096</u>	<u>2,750,543</u>

## 21 Taxation

The Group is subject to income tax at the rate of 15% in accordance with the Income Tax Law of the Sultanate of Oman.

	2024 RO	2023 RO
--	------------	------------

### Separate statement of financial position

Deferred tax (asset) / liability	(8,247)	(2,533)
Income tax payable	<u>549,241</u>	<u>429,884</u>

### Separate statement of profit or loss

Current tax	549,241	429,884
Deferred tax	<u>(5,714)</u>	<u>(3,553)</u>
	<u>543,527</u>	<u>426,331</u>

### Current status of tax assessments

Oman Tax Authority has finalized the Group's tax assessment upto the year 2020. The Group's management is of the opinion that additional taxes, if any, related to the open tax years would not be material to the financial position of the Group at 31 December 2024.

Recognized deferred tax (asset) / liability is attributable to the following items:

	At 1 January RO	Recognized in profit or loss RO	At 1 December RO
2024			
Property and equipment	(4,598)	2,795	(1,803)
Allowance for doubtful debts	<u>7,130</u>	<u>2,920</u>	<u>10,050</u>
	<u>2,532</u>	<u>5,715</u>	<u>8,247</u>
2023			
	At 1 January RO	Recognized in profit or loss RO	At 1 December RO
Property and equipment	(10,857)	6,259	(4,598)
Allowance for doubtful debts	<u>9,837</u>	<u>(2,707)</u>	<u>7,130</u>
	<u>(1,020)</u>	<u>3,552</u>	<u>2,532</u>



## Muscat Stock Exchange SAOC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2024

#### 22 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 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.

- (i) Related party transaction during the year were as follows:  
Compensation paid to key management personnel comprises:

	2024 RO	2023 RO
Salaries and related costs	336,249	188,381
Directors' sitting fees	72,663	59,094
Directors' remuneration	75,000	100,000

- (ii) Related party transactions during the year were as follows:

#### Muscat Clearing and Depository Company SAOC (Subsidiary)

Support and control service fee income (Note 20)	249,094	226,449
--	---------	---------

#### Financial Services Authority

FSA portion of commission income (Note 22)	354,845	216,129
IT services (Note 20)	14,838	35,920
Rental income (Note 6)	(12,000)	-

- (iii) Balances with related parties at the end of the year were as follows:

Muscat Clearing and Depository Company SAOC (Subsidiary)	89,121	78,708
--	--------	--------

#### 23 Financial risk management

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 period as follows:

#### 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 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.

## Muscat Stock Exchange SAOC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2024

#### 23 Financial risk management (continued)

#### Credit risk

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

The Group 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.

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

#### Exposure to credit risk

	2024 RO	2023 RO
Trade receivables (gross)	681,322	260,718
Accrued income	36,089	50,754
Term deposit	13,441,413	14,916,207
Bank balances	4,580,830	3,646,981
	<b>18,739,654</b>	<b>18,874,660</b>

The ageing and the lifetime ECL provision for receivables are as follows:

	2024			
	Upto 180 days RO	181 days to 365 days RO	More than 365 days RO	Total RO
Gross carrying amount	87,444	474,701	118,981	681,126
Expected loss provision	(2,245)	(24,322)	(101,737)	(128,304)
	2023			
	Upto 180 days RO	181 days to 365 days RO	More than 365 days RO	Total RO
Gross carrying amount	49,061	140,811	70,846	260,718
Expected loss provision	(1,684)	(21,197)	(70,856)	(93,737)

#### 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.

## Muscat Stock Exchange SAOC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2024

#### 23 Financial risk management (continued)

##### Liquidity risk (continued)

The below schedule shows the maturity profile of the financial liabilities:

	<i>Less than 1 year RO</i>	<i>Total RO</i>
As at December 2024		
Accounts payables and accruals	4,376,871	4,376,871
	<u>4,376,871</u>	<u>4,376,871</u>
As at December 2023		
Accounts payables and accruals	5,443,526	820,785
	<u>5,443,526</u>	<u>820,785</u>

#### 24 Contingencies and commitments

At the reporting date, the Group had capital commitments of RO 186,357 (31 December 2023: RO 189,588). There had been no contingencies as at 31 December 2024 (2023: Nil).

#### 25 Fiduciary accounts

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

Fiduciary accounts as of the reporting date comprise the following:

	<i>2024 RO</i>	<i>2023 RO</i>
Bank Dhofar -management of dividends for joint stock companies ( <i>refer note 'a' below</i> )	5,870,681	3,703,659
Bank Dhofar -Investor Trust Fund ( <i>refer note 'b' below</i> )	112,920	125,168
Cash on hand - Investors Trust Fund ( <i>refer note 'c' below</i> )	1,058	1,170
Cash under Account- Settlement Default Fund ( <i>refer note 'd' below</i> )	250,001	293,841
	<u>6,234,660</u>	<u>4,123,838</u>

- (a) This account is operated by the Subsidiary exclusively in connection with dividend management for joint stock companies. The account is used for the purpose of dividends receipts and onward repayment to shareholders of joint stock companies.
- (b) This account is operated by the Subsidiary exclusively for the purpose of managing payment transactions relating to the Investors Trust Fund that is established and supervised by the Financial Services Authority.
- (c) This account includes the cash amounts received by the Subsidiary for the purpose of managing payment transactions relating to the Investors Trust Fund.
- (d) The Subsidiary has opened an account with the Central Bank of Oman to enable Settlement Default Fund to use this account in case of any shortage in the settlement, since this Fund is acting as Guarantor for the Settlement.

#### 26 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 at their book values for Nil consideration.