## A word from the Chairman

**Eng. Atif Said Al Siyabi**
Chairman

The world has seen economic conditions improvement in many countries throughout 2022 as the devastating effects of COVID-19 subside and business and social life returns to normal. The Sultanate of Oman's ICT sector is a prime example of this growth, attracting more investments and technology companies over the past year. ITHCA Group has grown along; in investments, local and regional expansion through partnerships with the private sector, contributing to achievements of the objectives of Oman 2040.

Committed to a long-term goals, ITHCA Group has continued to concentrate on Emerging Technologies and the Fourth Industrial Revolution (4IR), particularly Internet of Things (IoT), and high-performance cloud services. In addition, the Group aims to advance innovations in technology sector, by supporting development of capabilities of young nationals, and efforts of innovative pioneers in small and medium enterprises.

ITHCA Group's newly launched commercial identity, inspired by the creativity and aspirations of the young generation and the importance of ultra-fast data networks for a knowledge society, positions the company for an even brighter future. With their impressive track record and forward-thinking approach, there's no doubt that ITHCA Group is poised for continued success in the years to come.

## A word from the GCEO

The year 2022 was an extraordinary year for the ITHCA Group as it continues to accelerate its journey towards strengthening the information and communication technology sector (ICT) and transforming the Sultanate of Oman into a hub of innovation and opportunity. The Group works to enhance the investment environment in the digital economy in Oman, and to invest in emerging new technologies to create opportunities, enable economic sectors, develop the skills and capabilities of young people, support SMEs, and support entrepreneurs working in technology and innovations.

Over the past year 2022, ITHCA Group’s subsidiaries have made remarkable progress based on the strategy and business plan of the Group. Overall, ITHCA Group strengthens its investments and businesses to develop and excel by transforming them in positive ways and ensure sustainability. We work closely with our affiliate companies to improve their operational and technical capabilities by helping them extend their product and service portfolios and gain access to new markets. By doing so, we're not only creating opportunities for our

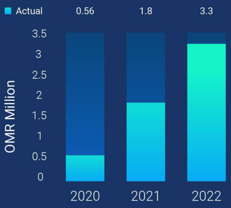
**Eng. Said Al Mandhari**
Group CEO

affiliate companies, but we're also contributing to the growth and development of the ICT sector in Oman.

# The Group Financial Performance

## Net profit/(Loss) without Impairment and Assets Revaluation

The Group achieved a net profit of RO 3.3 million in 2022 compared to RO 1.8 million profit in 2021 when excluding all assets impairment and the Financial Assets at Fair Value through Profit and Loss of OTF. OTF is expected to further enhance and diversify its investment income in the years ahead.



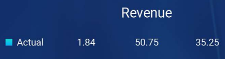
## Consolidated Statement of Profit or Loss and Comprehensive Income for the Year ended 31st Dec 2020, 2021, and 2022

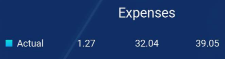
The Group revaluated its assets and investments for the year ended 31st Dec 2022 as per International Financial Reporting Standards (IFRS) after a comprehensive portfolio revaluation exercise, hence the same has reverse an impact on the revenue and net profit as follow:

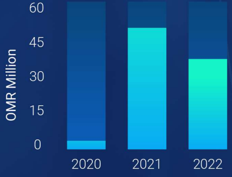
The total Group revenues in 2022 decreased by 30% to RO 35.3 million, compared to RO 50.7 million in the previous year 2021. As a result, the Group reported a net loss of RO 6.9 million in comparison to previous year profit of RO 14.8 million. Given the market condition in 2022, the decrease in revenue and net profit are mainly attributable to:

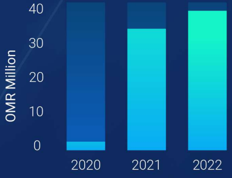
The revaluation of Oman Technology Fund (OTF) investments – specifically, the change in one of the investment classification of Swvl Holdings Corp to public market in Nasdaq as a listed company - (overall impact of negative RO 8.4 million at the Consolidated level of Statement of Profit and Loss for the year ended 31st Dec 2022)

The impairment testing of some of the investments (impact of negative RO 1.2 million at the Consolidated level of Statement of Profit and Loss for the year ended 31st Dec 2022)

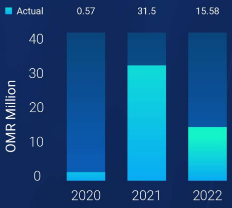




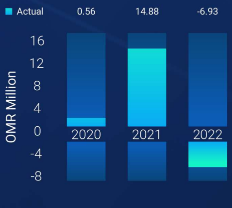




EBITDA

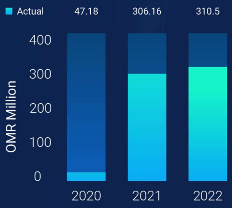


Net Profit/(Loss)

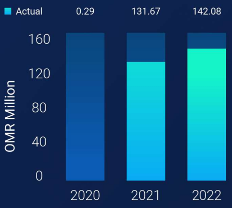


During the fiscal year ended on December 31, 2022, the assets of ITHCA Group increased slightly to RO 310 million, compared to RO 306 million for the period ended on December 31, 2021. The increase in assets are mainly attributable to the acquisition of new investments in Rihal, OSOS, Oman Horizon (Drones), and venture capital (Cyfr and Phase Venture I). The financial liquidity position of the Group continues to remain robust with a healthy leverage ratio which is sufficient for the Group to continue as a going concern in order to finance its investment operations, whether in new projects, new investment opportunities, or in completion of previously approved projects or expansion of future projects.

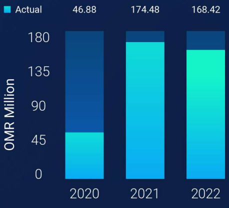
Net Assets



Liabilities



Net Equity



# Initiatives and Key Developments in 2022

## Initiatives and Key Developments 2022

- Launch of the new commercial identity of "ITHCA Group" Q1-2022
- Operate the first Oracle data center in Oman, Cloud@Customer – Q3-2022
- Onsor won the second place (runner-up) in the modern device category in 2022 Microsoft Partner of the Year Award Q2-2022
- Expansion of cooperation with Oracle, the second location of the Cloud@Customer Oracle cloud system - Q4-2022
- Developing and reformulating the strategy of the Blockchain Solutions and Services Company - Q2-2022
- Completion of the refinancing process of Oman Broadband Company through local banks – Q4-2022
- Organizing a technical security conference in the banking and financial sector - Q4-2022
- Signed MoU with Oman LNG, THIQA - a Saudi company in smart solutions, and Abu Dhabi Developmental Holding Company (ADQ) - Q4-2022

# Investment in Subsidiaries

As of the reporting date 31st Dec 2022, ITHCA Group's assets in subsidiaries are all incorporated in the Sultanate of Oman and are as follow

- **Oman Broadband Company SAOC**
  - ITHCA shares 100%
  - Building broadband infrastructure
- **Space Communications Technology SPC**
  - ITHCA shares 100%
  - Building national capacity in space technologies
- **Digital Transformation Management Company LLC**
  - ITHCA shares 100%
  - Innovative digital solutions – e-government services

| | |
|---|---|
| Technology Investment Management Company LLC | • ITHCA shares 100%<br>• Providing management services to OTF |
| Onsor Technologies LLC | • ITHCA shares 49%<br>• IoT & AI solutions - PCs design and production |

## Investment in Associates

As of the reporting date 31st Dec 2022, ITHCA Group’s assets in associates are all incorporated in the Sultanate of Oman and are as follow

| | |
|---|---|
| Blockchain Solutions and Services LLC – FronTech | • ITHCA shares 49%<br>• Building technical capabilities in blockchain and other technologies |
| Data Migration and Services LLC - Rihal | • ITHCA shares 20%<br>• Data solutions, Data management, RPA, integration, and AI |
| Prime Business Solutions LLC - OSOS | • ITHCA shares 20%<br>• Integrated business app's, software and technology provider |
| Oman Horizon LLC | • ITHCA shares 25%<br>• Design, assembly and build drones |
| Oman Towers Company LLC | • ITHCA shares 10%<br>• Building towers infrastructure - telecom sector |

## Investment in Venture Capital

As of the reporting date 31st Dec 2022, ITHCA Group’s investments in venture capital are all incorporated in the Sultanate of Oman and are as follow

**Oman Technology Fund Holding Company SAOC**

- ITHCA shares 78.6%
- Investment in emerging Omani & non-Omani tech startups (VCs)

**Phase Venture Fund I**

- ITHCA shares 21.7%
- VC Investment in Oman, MENA, and US

**Cyfr Fund**

- ITHCA shares 20%
- VC Investment in Oman, MENA, and US

## Social Responsibility and Job Localization

98% Omanization

More than 200 trainees (Tamkeen)

CSR initiatives to support SMEs and entrepreneurs

**Social Responsibility, Tamkeen Program, and Withaq Center**

**Tamkeen**

Attract more than 200 trainees in "Tamkeen" program - an intensive training program for new graduates - to develop them in all aspects and enable them to acquire the required skills and experience that qualify them in the future to engage in different fields, whether in the group or its subsidiaries or outside it.

**Withaq**

“Withaq” center of Oman Broadband Company contributed significantly to achieving efficiency and financial savings as a result of the optimal utilization of human resources and central management with the aim of providing support services to the group and its subsidiaries in the field of finance, procurement, human resources, treasury, information systems and legal consulting service.

**CSR**

In July 2022, ITHCA Group allocated and transferred 20% of the annual budget allocated to the Corporate Social Responsibility (CSR) for the benefit of the Oman Charity Organization. The group also contributed within the framework of CSR and provided financial support to companies and institutions that won awards for excellence in technology at the 31st COMEX Technology Exhibition in May 2022 at the Oman Convention and Exhibition Center.

## Opportunities

ITHCA Group has been engaged into discussion with several potential partners in Emerging Technologiessegment and ICT sector overall. Some of those opportunities are under consideration going forward

| Opportunities | Impact | Likeliness | Challenge | Plan | Potential synergy |
|---|---|---|---|---|---|
| Cybersecurity | Medium | High | • Offtake with key stakeholders<br>• Financially sustainable BP | • Completed high level review with stakeholders<br>• Next step: BP development | To be assessed at later stage |
| Submarine cable | Medium | Medium | • Project development<br>• Licensing<br>• 3rd party negotiations (Cable operator) | • Vodafone entry approved by Ithca Board<br>• BP frozen<br>• SHA awaiting signing | To be assessed at later stage |
| Data Hub | Major | Medium | • International partner to be selected<br>• Secure anchor tenant | • Finalise economic impact<br>• Adjust forecast and financial plan | To be assessed at later stage |

## Future vision

At ITHCA we strive to achieve our desired goals and outcomes, and we are committed to making continuous efforts to ensure that we succeed. Our business plan and strategy, which have been approved by the Group's Board of Directors and the Oman Investment Authority (OIA), serve as our guide as we move forward. This year we are excited to begin the divestment process for some of our investments, such as Oman Broadband Company and Oman Towers Co. that will enable us to create new opportunities. We will continue to monitor and develop our investments in emerging technology projects, drones, cloud services with Oracle, digital transformation management, submarine projects, and broadband network connection projects. We are confident that our unwavering commitment to emerging technologies and innovation will enable us to overcome challenges and create new opportunities for growth and development.

مجموعة إذكاء
ITHCA GROUP

رؤية عُمان 2040
OmanVision

# شكرًا لك

# Thank you

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