

Board of Directors’ Report
December 31, 2022

Dear Unitholders,

On behalf of Oman REIT Fund Management Body, I am pleased to present you the audited financial results and performance report for the year ended 31 December 2022.

Financial Performance:

The fund performance was satisfactory during the period ended 31 December 2022. It achieved gross rental income of OMR 3.71 million for year 2022 while it earned other income of OMR 136K and net income on fair value of investment profit is OMR 116K. The properties incurred operation & maintenance expenses of OMR 1.26 million during the period, while the fund incurred an operating & administration expenses of OMR 685K, the fund achieved net profit of OMR 2.01 million for the period, which represents an increase of 10% y-o-y as compared to 2021.

The fund has approved interim cash dividends of 1 baiza per unit each for every quarter, which were distributed in July, Aug & Nov 2022, resulting in total dividend distribution of RO 1.41 million, during the year 2022. This excludes the additional dividend distribution for Q4 2022, which will be distributed by March of this year.

At the end of December 2022, Oman REIT Fund had total assets of RO 48.45 million, out of which RO 44.53 million are in property investments. The Net Asset Value of fund as at the end of Dec 31, 2022, reached RO 47,897,153 which translates the Net Asset Value per Unit is RO 0.102.

Fund Performance	Amount in (RO)	
Particulars	December 31, 2022	December 31, 2021
Total Fund Income	3,848,790	4,433,161
Fund Expenses (including impairment)	(1,837,169)	(2,603,556)
Net Profit / (Loss)	2,011,621	1,829,605

Particulars	Amount in (RO)	
As on	December 31, 2022	December 31, 2021
Net Asset Value in R.O	47,897,153	47,299,092
Units Outstanding	471,186,386	471,186,386
Net Asset Value per unit – RO	0.102	0.100

We have been working on implementing our business plan which was set earlier in 2022, which includes: increasing occupancies, which has been reflected in the majority of its multi-let assets, optimizing operating expenses with a primary focus on its largest asset, KOM-4, the implementation of a strategic value-add program with an initial test case on 2 assets, raising leverage and building a pipeline of new assets to enhance the overall average portfolio yield and REIT WAULT.

In relation to communication with unitholders, as previously disclosed in the last quarter, we have been working on building a website for the REIT, which should be ready by next quarter.

Future Outlook:

Despite the strong challenges posed by market condition, the Fund’s portfolio performance continues to be stable. The unitholders’ retail and industrial properties continue to perform well, given the predictable nature of their cashflows generated by long-leases. The unitholders’ residential properties have witnessed marginal increases in occupancy, and stable rental rates, whereas our commercial properties saw mixed performances, with some properties witnessing marginal increases in occupancies, while others saw drops in mainly attributed to discounts given to tenants during the pandemic and drops in revenue in KOM-4, driven by the overall macroeconomic situation and changes in regulations allowing IT companies to be licensed on-shore. We are hoping the market continues to stabilize, which will further help the Fund’s overall performance. We are closely monitoring market conditions as they unfold and remain vigilant to the sensitivities this brings to our rental income. The fund management continue to be focused on customer retention by providing enhanced tenant engagement and better living experience for tenants in our properties as further detailed above, we are also working on optimizing operating expenses and implementing our business plan to further optimize the Fund’s performance and further diversify the Fund’s portfolio.

On behalf of the Board of Directors, we extend our sincere thanks to the unitholders for the trust granted to the Fund, and we also express our thanks and appreciation to the Capital Market Authority, the Stock Exchange, Muscat, for their efforts and contribution to building a growing fund under the wise leadership of His Majesty Sultan Haitham bin Tariq Al Said, asking the Mighty and Sublime, for further progress and prosperity.

On Behalf of the Fund Management body