

Board of Director’s Report: 30-September-2023

Dear Unitholders,

On behalf of Oman REIT Fund Management Body, I am pleased to present you the unaudited financial statements, for the third quarter ended 30 September 2023.

Financial Performance:

The fund performance was satisfactory during the period under review. It achieved gross income of OMR 1.09M during the third quarter of 2023. The properties incurred operation & maintenance expenses of OMR 297K during the period, while the fund incurred an operating expense of OMR 252K. The fund achieved a net profit of OMR 593K for the period.

Dividend Distribution:

At the end of September 2023, Oman REIT Fund had total assets of OMR 55.9M, out of which OMR 52.1M is in property investments. The total unitholders’ fund as at the end of September 30, 2023, reached OMR 47.9M, which translates to Net Asset Value per Unit of OMR 0.102. The fund has approved an interim cash dividend of 1.3 baiza per unit to be distributed in November 2023, resulting in total dividend distribution of OMR 612.5K.

Fund Performance	Amount in (OMR)		Difference
Particulars	Q3 - September 30, 2023	Q3 – September 30, 2022	YoY
Total Fund Income	1,141,597	934,058	+22%
Fund Expenses (including impairment & financing costs)	548,805	442,476	+24%
Net Profit / (Loss)	592,792	491,582	+21%

Particulars	Amount in (OMR)	
As on	Q3 - September 30, 2023	Q3 – September 30, 2022
Net Asset Value in R.O	47,935,304	47,797,059
Units Outstanding	471,186,386	471,186,386
Net Asset Value per unit – OMR	0.102	0.101

Noteworthy Events:

The past quarter witnessed a continued execution of our business plan, with the deployment of funds from our OMR 30M bank financing from Al Muzn, the Islamic Arm of NBO. In July 2023, we completed the acquisition of Nesto Wadi Kabir, featuring a double-net lease with an unexpired lease term of 15 years, building for OMR 7.6M, , which has resulted in a substantial increase in the Portfolio WAULT from 2.1 years to 4.4 years.

In addition to the Nesto Wadi Kabir acquisition, we are currently exercising due diligence on a number of different assets in our pipeline.

The leverage raised and the transaction completed are all in furtherance of the strategy to enhance portfolio WAULT and simultaneously diversify the REIT's portfolio. We continue to closely monitor the market for potential opportunities to deploy additional leverage and have already identified several assets which have been included in the pipeline and are currently at different stages of the due diligence process.

Given the success of our previous value-add works completed on Bait Moznah and Wafi Villas, we are now in the process of finalizing the process of identifying additional value-add works to be completed on other properties with the goal of boosting occupancy by enhancing the value proposition of the subject properties.

We hosted our first investor presentation in October, where we engaged in open discourse about the REIT with the audience. This was a successful initiative, and we will continue to host investor presentations on an annual basis, further displaying our commitment to further transparency and communication.

### **Future Outlook:**

Our retail and industrial properties continue to perform well, given the predictable nature of the cashflows generated by long-leases, the addition of Nesto Wadi Kabir to the portfolio has also helped increase our portfolio concentration in retail and slightly reduced the office concentration. Our portfolio's occupancy has increased to a weighted average of 86% vs 83% last quarter. Our residential properties have witnessed increases in occupancy, and stable rental rates, particularly evident with the two assets on which value-add initiatives were carried out this year. Our commercial properties' performance is stable, with commercial assets witnessing an uptick in demand. The market is continuing to stabilize, which will further help the Fund's overall performance. We are closely monitoring market conditions as they unfold and remain vigilant of the sensitivities this brings to our rental income. We continue to be focused on customer retention by providing enhanced tenant engagement and better living experience for tenants in our properties.

There are currently potential yield-accretive assets within the active pipeline, and our goal is to deploy a combination of leverage and equity in order to boost portfolio size and acquire additional assets that will further enhance the fund's performance.

On behalf of the Board of Directors, we extend our sincere thanks to the unitholders for the confidence granted to the Fund. We also express our thanks and appreciation to the Capital Market Authority (CMA) and Muscat Stock Exchange (MSX) for their continued and sustained efforts in building a vibrant capital market, under the wise leadership of His Majesty Sultan Haitham bin Tariq Al Said, asking the Almighty to grant more progress and prosperity.

**On Behalf of the Fund Management body**

**Chairman Signature**