

بنقدم بثقة  
Moving Forward  
with Confidence

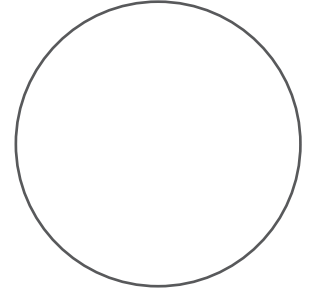


# FINANCIAL & OPERATIONAL PERFORMANCE

OMRAN GROUP

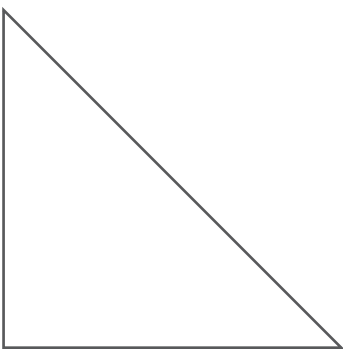
# 2023

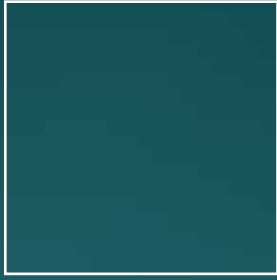




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## CHAIRMAN'S MESSAGE

I am honoured to present the 2023 Annual Review and share with you the exceptional progress we have made together at the OMRAN Group. This is an opportunity to reflect on the milestones and accomplishments of the past year, our role in driving economic growth in Oman's tourism sector, and our achievements in line with the objectives of Oman Vision 2040.

This year we have built on the success of 2022 as we continue to display resilience, adaptability, and a commitment to our core values. In 2023, the Group continued its journey of transformation, embarking on ambitious projects that not only redefine skylines and set a new standard within Oman but also enrich communities and elevate experiences. Our unwavering dedication to excellence and sustainability has guided us as we navigated through uncertain times, emerging stronger and more united than ever before.

Despite the prevailing economic uncertainties and operational challenges, we remained steadfast in our pursuit of innovation and growth. Our strategic investments in technology, infrastructure, and human capital have empowered us to overcome obstacles and seize opportunities, driving sustainable value creation for all our stakeholders.

One of the highlights of the year was the successful completion and inauguration of several landmark projects that underscored our commitment to excellence and innovation. Our diverse portfolio of assets, from iconic hospitality destinations to state-of-the-art mixed-use developments, provides a unique and unparalleled tourism experience in Oman.

In the past year we have also seen the numbers of visitors to Oman increase by 182%, reaching 4 million international arrivals. The upward trajectory of the nation as an exceptional tourism destination is supported by a growing portfolio of impressive hospitality assets, both in terms of properties and propositions. Our mission remains to maximise Oman's potential and drive investment into the sector to achieve the goals of the OMRAN Group and the nation as part of a thriving, diversified economy.

Furthermore, our steadfast commitment to sustainability was reaffirmed through the integration of Environmental, Social, and Governance (ESG) principles into our business practices. We recognise the profound impact our operations have on the environment and society, and as such, we remain dedicated to minimising our carbon footprint, fostering inclusive growth, bringing sustainable development to the forefront, and promoting ethical governance practices across all facets of our operations.

As we look to the future, we remain guided by a sense of optimism and purpose and focused on achieving our short- and long-term goals for OMRAN Group and for the growth of the national economy. The outlook for the coming year presents challenges but within those are opportunities, and we remain agile in the pursuit of delivering iconic assets to the nation.

Armed with a talented and united team, a robust strategy, and a shared vision, we are confident in our ability to navigate the complexities of the global landscape and leverage our experience to become more innovative than ever before.

In closing, I would like to extend my heartfelt gratitude to the Ministry of Heritage and Tourism and the Oman Investment Authority (OIA) for their unwavering support and dedication. I would also like to thank our Board of Directors, stakeholders, the Management Team and above all our talented team. Together, we have achieved remarkable success, and together, we will continue to shape a brighter future for generations to come.

**Azzan Qassim Al Busaidi**  
Chairman of Board of Directors

# HISTORICAL PERFORMANCE

OMRAN Group sets new records in the financial performance achieved a net profit of OMR 31.6 million, compared to OMR - 31.9 million in 2022, representing a growth of 199%.

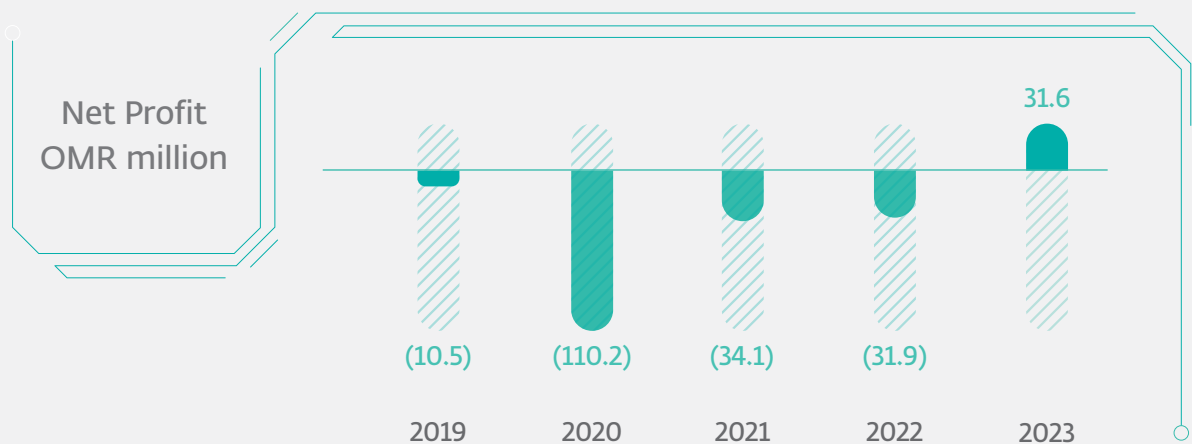


# 199%

Achieved a net profit of 31.6 million in 2023, marking the highest financial performance in the group's history.

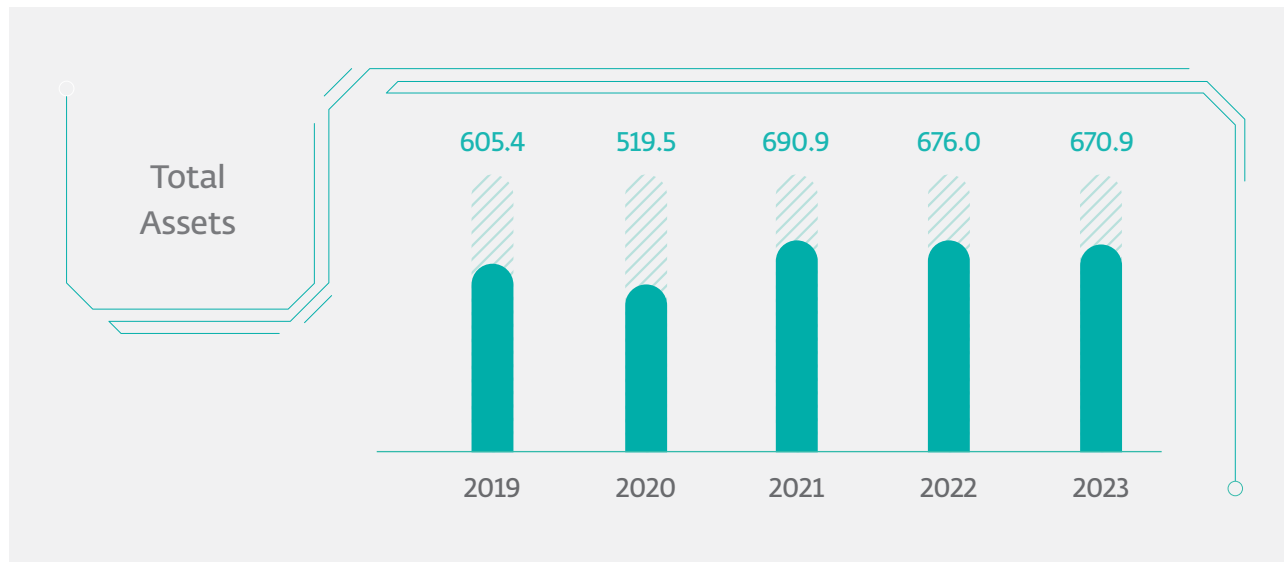
A record-breaking financial and operational performance in 2023 has been achieved with a net profit of OMR 31.6 million compared to OMR-31.9 million in 2022 and -10.5 million in 2019. Year on year revenue growth has shown an increase by 44.6% reaching OMR 70.4 million, highlighting company's strong growth path.

This record growth underscores the continued support from the Group's Board of Directors and the strategic partnership with the stakeholders and partners in the tourism sector, amidst the steady and comprehensive economic growth the country is experiencing, resulting in positive outcomes in the sector.



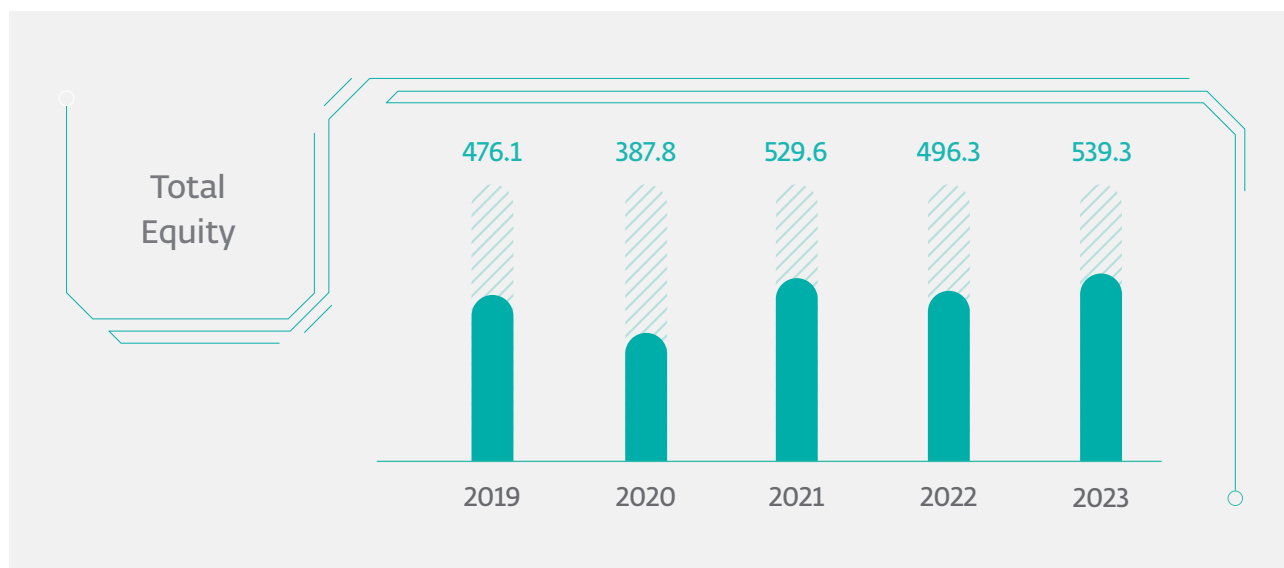


Total assets increased by 11% to OMR 670.9 million in 2023, up from OMR 605.4 million in 2019 . This significant growth in assets is a result of strategic investments, successful acquisitions, and financial management. The asset growth reflects the company's strengthened financial position.

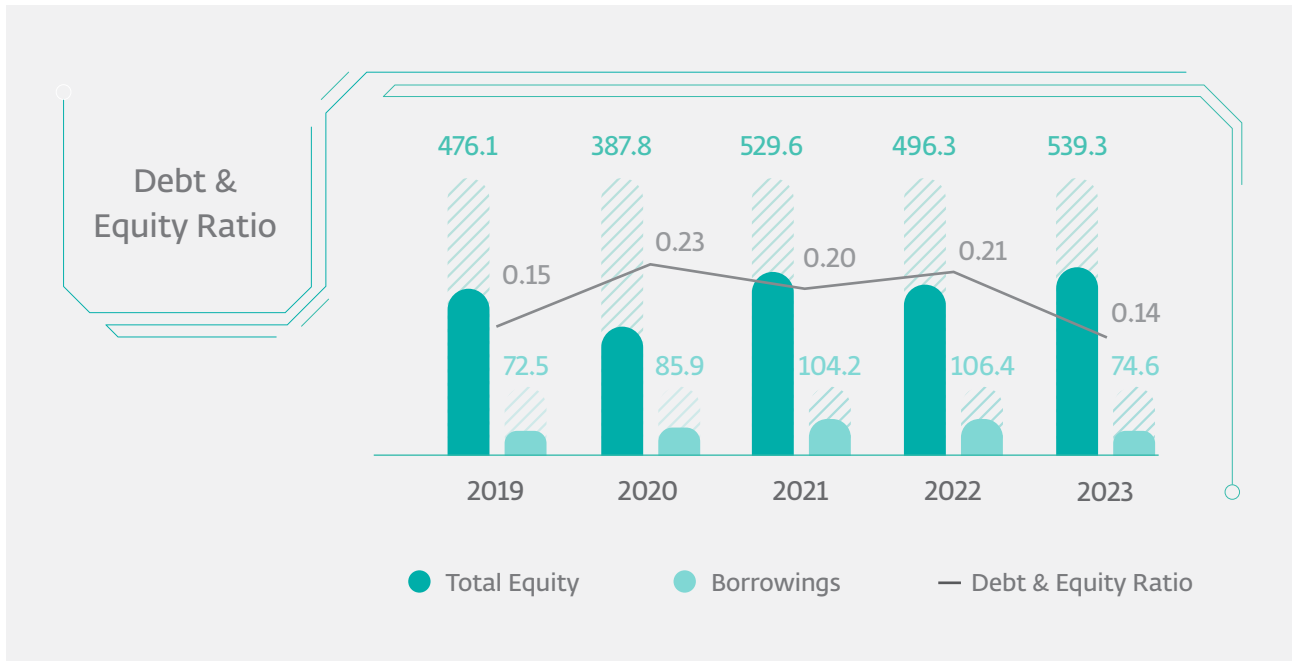


The company's equity increased to OMR 539.9 million in 2023, representing 13 % increase compared to OMR 476.1 million in 2019 and 9% increase compared to OMR 496.3 million in 2022. This improvement in equity is indicative of the company's strengthened financial position and its ability to generate value for shareholders.

The major contributor to the increase in equity has been the substantial retained earnings from the strong net profit in 2023, which have been invested into the business to increase growth and development.

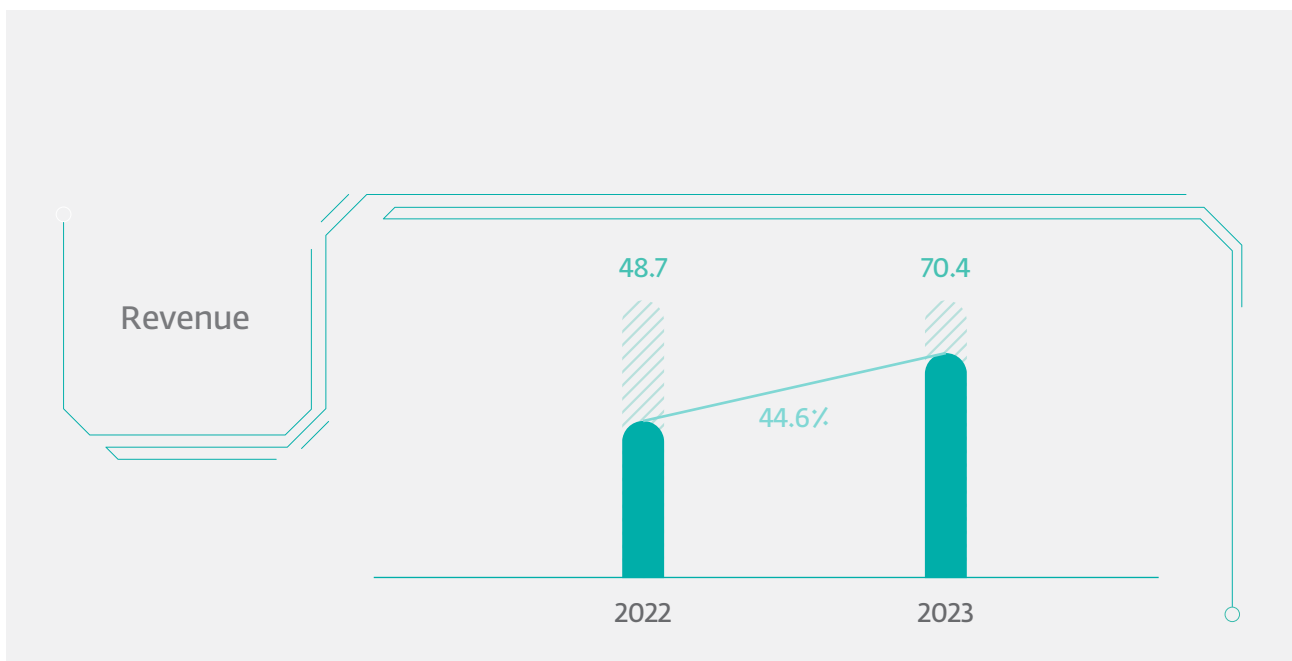


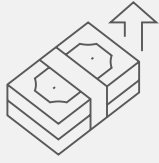
The company maintained a healthy debt-to-equity ratio of 0.14, compared to 0.15 in 2019 and 0.21 in 2022. This demonstrated strong financial management and balance sheet.



## 2023 PERFORMANCE

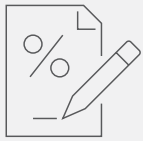
Highlighting unprecedented growth and operational excellence year on year. The company reported a net profit of OMR 31.6 million and an impressive 44.6% increase in revenue, totaling OMR 70.4 million, through hospitality market expansion, investments, and development.





# 44.6%

Growth in revenues, reaching 70.4 million Omani Riyals.

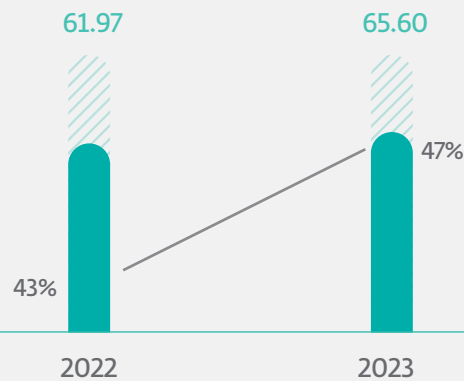


# 11.5% | 774,881

A significant rise in the total number of hotel guests: 774,881 – an 11.5% increase compared to 2022.

The Group witnessed a 8% growth in the occupancy rate of its resorts and hotels compared to the 2022. This rise was reflected in the number of guests, with a total of 774,881 guests, representing an 11.5% increase compared to 2022.

Average daily rate and occupancy



This record performance translates the success of the efforts made and the efficiency of the implemented plans, driven by outstanding operational performance across the board. The high revenue rates from resorts, hotels, existing projects, and new tourism experiences and products contributed significantly, alongside continued efforts to improve spending efficiency and operational performance in its subsidiaries and assets.



## Business Development

Based on OMRAN's efforts to accelerate the growth of the tourism sector in the Sultanate of Oman and to strengthen its infrastructure to align with evolving global and regional trends, the Group believes in the fundamental role of tourism in achieving economic diversification. Consequently, OMRAN has committed to exploring and creating lucrative investment opportunities, resulting in the attraction of foreign direct investments. This has enabled the implementation of numerous projects, the introduction of leading hospitality brands, and the identification of investment opportunities promoted at various forums in collaboration with relevant authorities.

In terms of attracting foreign direct investments, the progress of the "Aida" project has been on track. The project successfully launched its sales campaign for residential units, leading to the sale of the first phase of the development in March 2023, which received exceptionally positive responses from both local and international markets. A total of 125 units were sold during 2023, generating sales revenues of 24 million Omani Riyals. Construction work on the project is set to begin during the next phase.

OMRAN has also signed a technical services agreement with Club Med to develop a 5-star resort with 350 rooms, catering to families and groups seeking discovery in Khasab. This pioneering initiative will be the first of its kind in the region, providing a new hospitality experience in Musandam Governorate and adding significant value to OMRAN's hospitality portfolio.

Furthermore, OMRAN and Barcelo Group have entered into a strategic partnership to enhance OMRAN's Nomou Real Estate Development Fund. This pivotal agreement was highlighted during the group's participation at the World Travel Market in London in November 2023. In line with OMRAN's commitment to excellence and enhancing the local tourism investment landscape, the Nomou Fund aims to provide capital for essential tourism and hospitality projects in the Sultanate of Oman. This initiative aligns with OMRAN's goals, including attracting foreign direct investment to the tourism sector, strengthening partnerships, maximizing returns, improving assets, and enhancing synergy opportunities between operational assets and companies. Meanwhile, the Barcelo Group has reinforced its commitment to Oman by contributing 15 million Omani Riyals and revealing plans for further brand expansion.

The Santani Group, after visiting the Jabal Shams site and recognizing the immense potential it offers, has signed the main term sheet. Santani, known for owning and operating luxury and specialized spas, sees this as a prime opportunity to expand its brand into Oman. OMRAN is currently reviewing the feasibility study with the assistance of a third party.

Regarding the Mina Sultan Qaboos Waterfront project, OMRAN has prepared and completed a comprehensive study of optimal uses and economic feasibility. Work is currently underway on the general plan and infrastructure of the project, which is scheduled for completion in the second quarter of 2024.

The “Janain” agritourism project, the first of its kind in Oman, encompasses various tourist and agricultural facilities, commercial amenities, adventure activities, and recreational tourism. The project aims to cover multiple states within the Sultanate, with the first phase including projects in the Wilayat of Jabal Akhdar and the Wilayat of Salalah. Preparations are ongoing for the comprehensive business plan and project frameworks, in cooperation with the “Nitaj” Group, the commercial partner in this endeavor.

## Master Developments

- **Madinat Al Irfan Project (East) for Commercial Building No. (1):** The project's construction work has reached a completion rate of 32%.
- **Four Seasons Project:** Currently in the detailed design stage, expected to be completed by the end of the first quarter of 2024. The contract to build a hotel mock-up room has been awarded to Al Tasnim Enterprises, and work is underway. OMRAN is also coordinating with the Ministry of Heritage and Tourism and the Governor's Office to move the capital's yachting facilities to new buildings.
- **Sustainable City - Yiti Project:** Launched its sales phase in May 2023, successfully marketing and selling 157 residential units with a total value exceeding 11.3 million Omani Riyals. The project has completed 60% of its construction work.
- **Nikki Beach & Resorts Project:** The project's construction work has reached a 80% completion rate.
- **Governorates Projects:** One of the standout achievements of the past year in project development has been the fruitful collaboration with the Ministry of Heritage and Tourism, and offices of the esteemed governors to create various tourism projects across multiple destinations. This includes several service project developments in Dhofar Governorate, such as the Al-Mughassil Beach waterfront, the Hamrir View Project, Wadi Darbat, Ain Jarziz Park, and Iteen Nature Park. In Al- Wusta Governorate, the tourism services building project in the Shannah area is underway. Detailed studies and plans have also been completed for projects in Al- Buraimi Governorate, Al Dakhiliyah Governorate, Al Dhahirah Governorate, and South Al Sharqiyah Governorate. OMRAN has developed the first phase of the Oman Adventures Centre project in Musandam Governorate, featuring a dual zipline with a length of 1,800 metres, a launching pad, guest facilities, employee facilities, a 4 km service street, and parking. The project was completed, and the Oman Adventure Center was officially opened on April 26, 2023, serving as an integrated center for various entertainment and adventure activities in the governorate. It has been officially registered by the Guinness Book of World Records as “The world's longest Zipline over water” with a total length of approximately 1,800 metres.

## Enriching Facilities and Tourism Experiences

- The year 2023 marked the grand opening of the JW Marriott Hotel, enhancing the tourism sector in Muscat Governorate with over 304 luxurious hotel rooms and suites. This development further strengthens the Sultanate of Oman's reputation as a premier destination for luxury travel and business trips. The JW Marriott Hotel is poised to become a distinguished landmark in Oman's hospitality landscape.
- In alignment with its ambitious tourism strategy and vision, OMRAN Group has significantly enriched the tourism experience in the Sultanate of Oman throughout the year, implementing numerous valuable initiatives across various governorates.
- In partnership with the Ministry of Heritage and Tourism and the Governor's Offices in Al Buraimi and Musandam, organised two carnivals. The Al Buraimi Carnival attracted over 25,000 visitors in five days, while the Musandam Carnival drew more than 13,000 visitors.
- Conducted the Rummana Experience in Jabal Akhdar in collaboration with Teepee and IPS, recording over 22,000 visitors and selling 1,800 kilograms of locally grown pomegranates.
- In collaboration with the Ministry of Heritage and Tourism, created a football fan arena at the Oman Convention and Exhibition Centre for the Arabian Gulf Cup held in Iraq in January 2023, featuring a 1,300-seat grandstand and three giant screens broadcasting all matches live.
- In collaboration with the Ministry of Culture, Sports and Youth, opened the Art and Design Walk at the Oman Convention and Exhibition Centre as part of the "Creatourism" programme, showcasing the works of prominent Omani artists and promoting creativity and innovation.
- Completed a promising windsurfing expedition along 334 kilometers of Oman's coastline in partnership with Oman Sail and Sea and Beach Projects. This expedition included studying and analysing the enormous potential for adventure activities and water sports.

## Governance and In-Country Value

- OMRAN Group conducted a study to enhance environmental, social, and governance (ESG) practice, with the aim to solidify OMRAN's position as a leader in sustainable development. This initiative lays the foundation for OMRAN's sustainability journey, aligning with Oman Vision 2040. In 2023, the group began framing its ESG practices and is set to launch its comprehensive strategy in 2024.
- A strategic initiative to enhance local value in collaboration with the tourism and aviation sectors in Oman is also underway. This project aims to identify opportunities and gaps in the In-Country Value (ICV) across the entire tourism value chain and recommend necessary ICV programmes. It aligns with OMRAN's strategy to boost local value contribution and supports the directions of the Oman Investment Authority.

## Human Capital

- The workforce of OMRAN Group includes 3,611 employees across its subsidiaries and hotels, with an Omanization percentage reaching 50% in 2023.
- Due to its outstanding efforts in employee qualification, the Ministry of Labor recognized OMRAN as the best organization in qualification practices, surpassing 14 government agencies.
- OMRAN also launched the “Najm” project, aimed at employing 300 job seekers in the tourism sector in cooperation with various authorities in Oman. These employees will be distributed across all governorates to provide diverse tourism services such as guiding. The programme focuses on developing the essential skills of licensed tour guides and establishing local companies to manage and sustain the program under OMRAN’s supervision.
- Additionally, OMRAN launched the #IAmTourism Programme, which includes various training and employment initiatives. This encompasses programs such as SHIFT, LIFT, GIFT, and GIFTed, all designed to train leaders within OMRAN and the broader hotel sector.

# FUTURE OUTLOOK

## Embracing Growth and Innovation

As we reflect upon another remarkable year at OMRAN Group, we do so with a profound sense of accomplishment and gratitude. The journey has been marked by challenges, triumphs, and invaluable lessons, all of which continue to shape us into the dynamic organisation we are today. Our ability to navigate a changing global economy, evolving consumer trends, and increased demand for authentic experiences, we look forward with unwavering optimism and a steadfast commitment to unlocking new frontiers of growth and innovation.

Throughout the past year, we have witnessed the tangible impact of our collective efforts in reshaping landscapes, enriching communities, and fostering sustainable development. From groundbreaking projects that push the boundaries of architectural ingenuity to initiatives that promote social inclusivity and environmental stewardship, our commitment to excellence has never been more resolute.

Looking ahead, the path before us brims with promise and potential. Across our diverse portfolio, we see opportunities for expansion, diversification, and synergistic collaboration. Our strategic investments in key sectors, coupled with our renewed focus on operational efficiency, customer-centricity, and innovative partnerships position us favourably to capitalise on emerging trends and seize new growth opportunities.

It is this commitment to innovation that lies at the heart of our vision for the future. We remain steadfast in our pursuit of cutting-edge technologies, sustainable practices, and disruptive business models that drive in-country value creation and enhance stakeholder returns. By embracing innovation as a catalyst for transformation, we are confident in our ability to not only adapt to change but to thrive in an ever-evolving marketplace.

Crucially, none of our achievements would have been possible without the support of our shareholders, partners, and dedicated team members. Their passion, expertise, and commitment to our shared vision have been the cornerstone of our accomplishments, propelling us forward and building the foundations for a prosperous future for the Sultanate of Oman's tourism and hospitality sectors.

The year was marked by growth and resilience, and we approach the future with a renewed sense of purpose and determination. As ever, the road ahead will present challenges, but it is also filled with boundless opportunities. With unity, innovation, and a relentless pursuit of excellence guiding our way, we are confident that the year ahead will be one of continued success and sustainable growth across our entire portfolio.

