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## HOTEL INVESTMENT POOL

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MMIS is an Oman-based hotel management and investment company providing a complete service for the development and operation of properties in the hospitality sector. The core markets include mid-range hotels, hotel apartments, extended stay accommodation and fully serviced corporate centres within the Sultanate of Oman and the GCC Countries.

A key commercial focus for MMIS is the Hotel Investment Pool (HIP), a diverse property holding company that funds the purchase of select hotel properties in Oman and the region. The role of MMIS is to identify and acquire the appropriate hotel properties for the HIP and where applicable, to manage and operate those properties.

### **MMIS Hotel Investment Pool (HIP)**

Through the HIP MMIS is working with local investors and funds to purchase and manage a range of mid-range hotels and hotel apartments, initially in the city of Muscat and surrounding districts.

MMIS has identified a number of potential properties, which are under distress through poor management. It is planned that up to five hotels will be purchased initially. With minor renovation coupled with the implementation of the MMIS Distressed Property Solution, a strict management programme, each property could be run profitably.

Subsequently, an ongoing process for identifying target properties will be undertaken by MMIS, with the aim of purchasing the properties through the HIP. It is anticipated that up to ten hotels will be bought by the HIP in the first five years of operation, with the majority of properties being managed by MMIS.

Through meetings with local financial institutions it is forecast that the purchase and refurbishment of these properties could be debt funded for approximately 55%. Some of those same financial institutions will also invest in individual properties with the HIP.

MMIS provides the hotel management services and technical services for the renovation and ongoing management of these properties. For a base management fee the HIP has access to MMIS's management team, management experience, and group services such as legal, finance, and sales and marketing. Sales and marketing continue to focus on the further development of the corporate market that by nature generates a longer length of stay and more repeat business.

MMIS is also responsible for the ongoing property management of the portfolio for the HIP, to provide regular reporting on the consolidated performance of the properties and benchmarking against a select competitive set.

The hotel industry by nature is a people driven business and it requires a large number of energetic staff across a variety of disciplines (catering, front office, maintenance). Working with the relevant government authorities including the Ministry of Manpower and the Ministry of Tourism, this sector has been highlighted as a major job generator for Omani nationals in the Sultanate.

Well performing accommodation properties are always seen as an attractive investment. They also provide investors with a number of alternatives to exit in approximately five to seven years. Due to the structure of the investment, the following exit strategies exist: (a) the direct sale of the property with or without an incumbent management agreement; (b) the partial sale of shares in HIP; or (c) an outright sale of HIP.

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