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BOARD OF DIRECTORS REPORT

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present to you the report for Dhofar Tourism Company SAOG (“the Company”) for the period ending 30 June 2025.

Executive Highlights

Revenue: (Jan to Jun 2025): OMR 956,050

Net Loss: OMR 374,030

Cash Profit Before Interest: OMR 3,616

Net Assets: OMR 46.35 million (a marginal change from OMR 46.72 million)

Tourism Season: Strong performances across winter, Khareef, and Sarb seasons

Major Project: Progress on the Mirbature tourism development master plan

Funding: Bridge financing secured; rights issue scheduled for 2025

Strategic Partnerships: Wyndham Garden, UNESCO Chair for World Heritage, ECAHO

About the Company

Dhofar Tourism Company SAOG owns two million square meters of prime coastal land in Mirbat, designated for development under the Integrated Tourism Complex program. This exceptional property features over one mile of pristine beachfront and a five-star resort with 186 rooms and 51 chalets, offering substantial future development opportunities.

Following the reconstitution of the Board in July 2023, the Company launched a comprehensive strategic transformation aimed at restoring long-term profitability. Key initiatives include a full management restructuring to strengthen internal controls, operational efficiency, and overall corporate resilience.

Our Vision

Aligned with Oman Vision 2040 and in partnership with the Ministry of Heritage and Tourism, we are committed to enhancing Dhofar’s position as a premier tourism destination. Our flagship project, “**Mirbature**,” is designed to generate employment, stimulate economic growth, and enrich the local community in Mirbat and across the Dhofar region.

Wyndham Garden Mirbat Resort

Since entering into a franchise agreement with Wyndham Garden in October 2021, the resort has achieved notable enhancements in service standards and operational performance. Following a strong winter season in 2024–2025, we anticipate further growth through the upcoming Khareef and Sarb seasons, supported by active collaboration with Dhofar Municipality to develop year-round tourism activities.

Tourism Development Project (*Mirbature*)

The Mirbature master plan update is progressing with strong momentum. Following a transition from the previous consultant (F&M), the Company has already selected a new engineering consultant. We remain firmly on track to complete the master plan by Q3 2025, driven by clear strategic focus, strong project governance, and unwavering commitment to delivering exceptional outcomes.

Interim funding support was secured from Dolphin International LLC on an arm’s length basis to ensure steady progress. A rights issue is also scheduled for 2025 to fund phased implementation. A new CEO and Vice President have been appointed to lead the project execution with renewed energy and expertise.

Mirbature is envisioned as a vibrant, integrated destination combining hospitality, residential, and commercial components, designed to attract both regional and international investment.

Financial Performance

For the period ending 30 June 2025, the income from operations reached OMR 956,050 compared to OMR 886,775 in the period ended 30 June 2024. However, it is essential to note that the net loss was OMR 374,030 compared to OMR 438,744 in the period ended 30 June 2024. Additionally, the cash profit before interest costs were recorded at OMR 3,616 compared to OMR (50,761) in the period ended 30 June 2024. Furthermore, the Company's net assets experienced a slight decrease, from OMR 46.35 million to OMR 46.72 million as of 30 June 2025.

The Company's financial trajectory reflects focused efforts to strengthen revenues, optimize operations, and deliver sustainable growth despite historical challenges.

Project Risks and Mitigation

Project Delivery: Ensured through immediate reassignment to a new consultant.

Funding Requirements: Addressed through temporary related-party financing and the upcoming rights issue

Omanisation and Talent Development

We proudly report a 30% Omanisation rate, demonstrating our steadfast commitment to empowering Omani talent and contributing to national workforce development.

Internal Control and Corporate Governance

The Board is fully committed to adhering to the highest standards of corporate governance and compliance in accordance with Financial Services Authority regulations. A dedicated internal audit function operates under Board oversight to uphold best practices, with full details available in the Annual Report.

Strategic Collaborations

Our partnership with the UNESCO Chair for World Heritage supports the promotion of sustainable tourism and the digital preservation of Mirbat's rich historical and cultural legacy, in alignment with Oman's national tourism strategy.

Dhofar National Championship 2024

The successful hosting of the Dhofar National Championship on August 29–30, 2024, celebrated Omani equestrian traditions and Arabian horse culture

under ECAHO supervision, further enhancing Dhofar's profile as a distinctive tourism and cultural destination.

Call to Action for Shareholders

We are excited about the path ahead and invite our valued shareholders to continue supporting this transformative journey. Your participation in the upcoming rights issue will be instrumental in realizing the full potential of Mirbat and bringing the Mirbature vision to life.

A Tribute to His Majesty Sultan Haitham bin Tariq

With all feelings of pride and honor, we raise to the esteemed presence of His Majesty Sultan Haitham bin Tariq, may Allah bless and preserve him, our sincerest expressions of loyalty and gratitude for His Majesty's wisdom and sound vision that steadily and competently leads the march of Oman's renewed renaissance.

Indeed, what Dhofar Tourism Company strives for in terms of developing and establishing projects, foremost of which is the "Mirbature " project, in terms of growth and prosperity, is but a blessed fruit of his lofty directives and ambitious visions, which embody the aspirations of "Oman Vision 2040" towards a brighter and more sustainable future.

We ask God Almighty to protect His Majesty and grant him His aid and success to continue the march of construction and progress.

Acknowledgements

We sincerely thank our shareholders, the Dhofar Governorate, government ministries, and the Financial Services Authority for their enduring trust and support. Special recognition is extended to our management team and staff for their dedication, resilience, and commitment to excellence.

Thank you and best regards.

Fatma Yousuf Alawi Al Ibrahim

Chairperson

Dhofar Tourism Co. (SAOG)