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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 September 2025.

Executive Highlights (January to September 2025)

Revenue : OMR 1,355,148 (2024 OMR 1,190,455)

Net Loss: OMR 716,229 (2024 OMR 845,070)

Cash Loss Before Interest: OMR 147,006 (2024 OMR 263,978)

Net Assets: OMR 46.00 million (2024 OMR 46.72 million)

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

Major Project: Progress on the MADANA tourism development master plan

Funding: Bridge financing secured; rights issue scheduled for 2026

Strategic Partnerships: Wyndham Garden, UNESCO Chair for World Heritage, ECAHO and Office of His Highness the Governor of Dhofar.

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, “**MADANA**,” is designed to generate employment, stimulate economic growth, and enrich the local community through reviving Omani Heritage and sustainable tourism in Mirbat and across the Dhofar region.

Dhofar Tourism Company achievements

Since partnering with Wyndham Garden through a franchise agreement in October 2021, the resort has seen significant improvements in both service quality and operational efficiency. Building on steady sales growth in recent years, we expect continued momentum into the upcoming winter season, driven by collaborative alliances with tour operators



Strategic partnership with the Office of His Highness the Governor of Dhofar reflects the company’s commitment to advancing the tourism sector and driving high-quality, sustainable investments in the Dhofar Governorate. This collaboration aims to promote year-round tourism by reshaping the region’s tourism landscape through bold initiatives centered on long-term financial growth, cultural preservation, and youth empowerment.

Tourism Development Project (*MADANA*)

Following a transition from the previous consultant (F&M) to a new engineering consultant (ADC), we have submitted the updated ITC master plan for approval and remain confident in achieving outstanding results, guided by a clear strategic vision, strong project governance, and an unwavering commitment to excellence. Below are the key tourist attractions at MADANA.

Dhofar DOME & The EDGE - a year-round cultural hub hosting exhibitions, immersive events, and R&D where tradition meets innovation. This is envisioned to attract the international cultural events specially aiming the region.

Qatar Museums (EARTH MUSEUM) - Crafted for the premium tourism scene, the museum is a vibrant fusion of culture and commerce — planned to deliver lasting impact and unforgettable experiences that resonate far beyond the visit.

Dhofar international Arabian Horse Championship - A globally recognized niche event designed to unlock new investment pathways and to deliver measurable returns. As part of our marketing campaign, we have had yet another successful championship during 29-30 August 2025, at the new horse show arena built to internationally accredited standards encouraging encourages investors and motivates the local community and horse lovers to interact and participate.

To maintain steady progress, interim funding support was secured from Dolphin International LLC on an arm's length basis. Looking ahead, a rights issue is planned for 2025 to support the phased rollout of the project. Following the appointment of the new CEO and Vice President, the project has gained strong momentum, with their leadership bringing enhanced focus, improved coordination, and renewed drive to execution efforts.

Financial Performance

For the period ended 30th September, the Company recorded an income of OMR 1,355,148, reflecting a 13.83% increase compared to OMR 1,190,455 in the same period last year. The net loss for the period decreased to OMR 716,229 from OMR 845,070, representing a reduction of 15.25%. Additionally, the cash loss before interest stood at OMR 147,006, marking a 44.31% decrease compared to the same period last year. The Company maintains a strong net asset base of OMR 46,004,611.

The consistent reduction in losses over recent years reflects a positive trend in the Company's operational direction and demonstrates the strong commitment of the DTC team.

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.

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 MADANA 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 "MADANA " 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)