

BOARD OF DIRECTORS REPORT

Dear Shareholders,

On behalf of the Board of Directors of UBAR Hotels and Resorts SAOG, it is our pleasure to present the Unaudited Consolidated Financial Results of the Company for the period ended 31st March 2026.

Performance Review

For the period ended till 31st March 2026, the Company has generated consolidated revenue of RO 812,152/-, which is marginally on the lower side by 1% compared to last year's revenue of RO 823,445/.

Overall, the company has managed to generate the Gross Operating Profit RO 77,964/ which is on the lower side by 4% compared to the last year Gross Operating Profit of RO 81,174/.

Overall, the company's net operating losses of 91,284 against the last year net operating losses of RO 90,547 which is almost same as compared to last year.

It is important to note that both hotels were performing very well until February 2026, with overall revenue exceeding expectations by approximately 5% during the initial period. However, the recent escalation of conflict and shifting geopolitical conditions in the Middle East have significantly impacted the regional tourism industry. This has resulted in a substantial number of cancellations across room bookings as well as cruise business, directly affecting occupancy and upcoming revenue. In addition, broader tourism trends such as reduced international travel demand, flight disruptions, and cautious traveler sentiment have further influenced Oman's hospitality sector. As a result, the company experienced a noticeable decline in business during March and April. Now moving to the off-season, market conditions are expected to remain soft in the near term. On a positive note, the geopolitical situation will stabilize in the coming months, and it is anticipated that business performance will improve in the last quarter of the year 2026.

All efforts have been exercised to maintain the Company's stability and ensure the continuity of its operations during this challenging period. Both hotels have proactively focused on cost optimization measures, including rationalizing operational expenses, improving energy efficiency, and streamlining procurement processes without compromising service quality. In parallel, both properties are actively introducing a range of promotional offers and value-driven packages aimed at attracting domestic travelers, such as staycation deals, weekend offers, corporate packages, and partnerships with local tour operators. Additional initiatives include enhancing digital marketing efforts, strengthening relationships with key travel agents, and exploring alternative revenue streams such as long-stay guests and local events. These combined efforts are intended to mitigate the current downturn, sustain occupancy levels, and position the Company for recovery once market conditions improve.

Omanization,

The Company has been encouraging Omanization by employing Omanis in various departments. Throughout the year, all efforts are made to comply with the government's requirement to achieve the Omanization level.

Future Perspective

The Board remains cautiously optimistic that the current geopolitical situation will stabilize in the near future and gradually improve over the coming period. While short-term challenges persist, Oman is expected to regain momentum as a preferred leisure destination, with a potential increase in tourist inflows towards the latter part of the year as travel confidence returns.

The Board assures the shareholders that the Company will strive to achieve better results in the coming months through the proven, hard, and sincere efforts of Management and its staff.

Conclusion,

The Board looks forward to the continued growth of the tourism industry in the Sultanate of Oman. The Board of Directors, on behalf of the Shareholders, have a great pleasure to extend their profound thanks, loyalty, and gratitude to His Majesty Sultan Haitham Bin Tarik; God Bless him, for His Majesty's inspiring leadership and wise policies. We are confident that our nation will continue to walk on a path of progress and prosperity under His Majesty's leadership.

Thanking You.

Chairman/Director