

# Ubar Hotels and Resorts SAOG and its Subsidiary

## Financial statements for the period ended 31 March 2026

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### Notes to the financial statements

#### 1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

Ubar Hotels and Resorts SAOG ("the Parent Company") is a public joint stock company registered in the Sultanate of Oman. The principal activity of the Parent Company is the operation and management of the Golden Tulip Hotel, Nizwa.

The Parent Company is a subsidiary of Mohammed Al Barwani Investment LLC ("the ultimate Parent Company") [note 12 b)]. These consolidated financial statements as at and for the period ended 31 March 2026 comprise the Parent Company and its subsidiary, together referred to as the "Group".

Al Ahlam Hotel Management LLC ("AHM") is a 100% owned subsidiary of the Parent Company. AHM is a limited liability company registered in the Sultanate of Oman and is engaged in the operation and management of Golden Tulip Hotel, Muscat.

#### 2 SIGNIFICANT AGREEMENTS

##### a) *Franchise agreement - Golden Tulip Hotel Nizwa*

Under a Franchise Agreement dated 4 March 2005, effective 1 April 2005, ('the Agreement') between the Parent Company and Golden Tulip Franchise Limited ('the Franchisor'), the following amounts are payable on annual basis:

- Royalty fees of 2.5% of the gross room revenue with a minimum of US\$ 15,000 per annum;
- Marketing fees of 1% of the gross room revenue with a minimum of US\$ 10,000 per annum;
- Reservation fees included in the sold room rate are paid monthly in arrears as follows:
  - GDS / GDS Powered Internet Reservations at 7.5% +US\$ 5 per booking;
  - Voice reservation at 10%;
  - Internet reservation at 6%; and
  - Reservations generated through Golden Tulip's Central Meeting Line are subject to 8% on the booked revenue at the hotel.

The Agreement was for an initial term of 3 years after which the Agreement was automatically renewed for every additional three-year term, unless terminated by way of a written notice at least six months prior to the expiration of the term.

##### b) *Franchise agreement – Golden Tulip Hotel Muscat*

Under a Franchise Agreement dated 20 December 2023, effective 1 February 2024, the subsidiary, Al Ahlam Hotel Management LLC has entered into a brand license agreement with Golden Tulip MENA S.A.S. ("Licensor"), pursuant to which the Licensor has granted the subsidiary the license to use the trade name "Golden Tulip" in respect of the subsidiary's Hotel.

The following amounts are payable on an annual basis:

- Franchise fee – Franchise fee is 2% of the total room revenue of the Hotel, excluding taxes, paid monthly in arrears.
- Marketing contribution: Marketing contribution is 1% of total room revenue, excluding taxes, paid monthly in arrears.
- Loyalty fee – The loyalty fee is 3.5% of the reservation value per room booked with a minimum of EUR 800 per annum to be paid monthly in arrears.
- Administration charges – The charge is USD 2.5 per room per quarter.

The agreement is for an initial term of 10 years from 1 January 2024 until 31 December 2033 after which the agreement will be automatically extended for an additional term of 10 years unless a written notice to terminate the agreement is given prior to the expiration date by 6 months.

# Ubar Hotels and Resorts SAOG and its Subsidiary

## Financial statements for the period ended 31 March 2026

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### Notes to the financial statements

#### 3 BASIS OF PREPARATION AND ADOPTION OF NEW AND AMENDED IFRS

##### 3.1 Basis of preparation and statement of compliance

###### a) *Going concern*

During the year, the Group incurred losses amounting to ~~₹~~ 94,784 (2025 – ~~₹~~ 93,590) and at the end of the reporting period, the Group had accumulated losses amounting to ~~₹~~ 3,330,250 (2025 – ~~₹~~ 2,737,168). Furthermore, the Group's current liabilities at the end of the reporting period exceeded its current assets by ~~₹~~ 1,290,229 (2025 – ~~₹~~ 1,702,206).

These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

However, these financial statements have been prepared on a going concern basis based on Management's view that the majority Shareholders will continue to provide adequate financial support to the Group and together with the achievement of the Group's planned improvements in operating and financial performance. Furthermore, the Management is actively pursuing various measures, including the restructuring of existing loans and banking facilities, to enable the Group to meet its liabilities as they fall due.

###### a) *Statement of compliance*

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) the relevant requirements of the Commercial Companies Law of the Sultanate of Oman and the relevant disclosure requirements issued by the Financial Services Authority.

The financial statements are presented in Omani Rials (~~₹~~) which is the functional currency of the Parent Company and the Group.

##### 3.2 New and amended IFRS adopted by the Group

The financial statements have been drawn up based on accounting standards, interpretations and amendments effective at 1 January 2025.

The Group has adopted the revised IAS 21 'The effects of changes in foreign exchange rates' issued by International Accounting Standards Board, which was effective for the current accounting period.

Amendments to IAS 21 specify how an entity should assess whether a currency is exchangeable, how to determine a spot exchange rate when exchangeability is lacking and introduce additional disclosure requirements relating to such circumstances.

The Management believes the adoption of the amendment has not had any material impact on the recognition, measurement, presentation and disclosure of items in the financial statements for the current accounting period.

# Ubar Hotels and Resorts SAOG and its Subsidiary

## Financial statements for the period ended 31 March 2026

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### Notes to the financial statements

#### 3 BASIS OF PREPARATION AND ADOPTION OF NEW AND AMENDED IFRS (Continued)

##### 3.3 New and amended IFRS which are in issue but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, are disclosed below. The Group intends to adopt these standards and amendments, if applicable, when they become effective.

- Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' (Classification and measurement requirements of financial instruments and contracts referencing nature-dependent electricity)
- Annual amendments to IFRS – Volume 11 amend the following:
  - IFRS 1 'First time adoption of IFRS' – Hedge accounting by a first-time adopter;
  - IFRS 7 'Financial instruments: Disclosures' – Gain or loss on derecognition;
  - Guidance on implementing IFRS 7 – Credit risk disclosures and disclosure of deferred difference between fair value and transaction price;
  - IFRS 9 'Financial instruments' – Derecognition of lease liabilities and transaction price
  - IFRS 10 'Consolidated financial statements' – Determination of a 'de facto agent'
  - IAS 7 'Statement of cash flows' – Cost method
- IFRS 18 'Presentation and Disclosure in Financial Statements' replaces IAS 1 'Presentation of Financial Statements'. The new requirements on presentation and disclosure will provide information to better understand Company's financial performance, improve labelling, aggregation and disaggregation of information and disclosure of management-defined performance measures in the financial statements.
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures' (Reduced disclosures for eligible entities)

Except for the adoption of IFRS 18, the Management believes the adoption of the other amendments is not likely to have any material impact on the recognition, measurement, presentation and disclosure of items in the financial statements for future periods.

#### 4 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the financial statements, the Management is required to make estimates and assumptions which affect reported income and expenses, assets, liabilities and related disclosures. The use of available information and application of judgement based on historical experience and other factors are inherent in the formation of estimates that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods effected. In particular, estimates that involve uncertainties and judgements which have significant effect on the financial statements are as follows:

- *Going concern*

The estimates and judgements relating to appropriateness of preparing financial statements on a going concern basis have been detailed in note 3.1 a).

- *Useful lives of property, plant and equipment*

The Management determines the estimated useful lives of property, plant and equipment for calculating depreciation. The Management's estimate of the useful lives of these assets is based on various factors such as historical experience, market practice, operating cycles, maintenance programs and normal wear and tear.

# Ubar Hotels and Resorts SAOG and its Subsidiary

## Financial statements for the period ended 31 March 2026

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### Notes to the financial statements

#### 4 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

- *Expected credit losses (ECLs)*

The Group applies the IFRS 9 simplified approach to measuring ECL which uses a lifetime expected loss allowance for trade receivables. To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 3 years and the corresponding historical credit losses experienced within this period.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified GDP growth, oil prices and inflation rates to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

At every reporting date, the default rates are updated and changes in the forward-looking estimates are analyzed. The assessment of the correlation between default rates, forecast economic conditions and ECLs require the use of estimates. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

ECL on other receivables is provided if the amount is deemed material. ECL on bank balances and deposits is determined using credit rating information supplied by independent rating agencies, where available. ECL on bank balances and deposits is provided if the amount is deemed material.

- *Impairment assessment of property, plant and equipment*

At the end of the reporting period, the Management has assessed if there any indicators of impairment of Group's property, plant and equipment, Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The computation of value in use and fair value less costs to sell require the use of estimates.

To support the impairment assessment, an independent valuation of the Group's properties was conducted to determine their fair value. The valuation indicated that the fair value of the properties exceeded their respective carrying amounts. Based on this assessment and the available evidence, Management has concluded that no impairment has occurred in the carrying amount of the Group's property, plant, and equipment at the end of the reporting period.

- *Impairment assessment of investment in subsidiary, loan to subsidiary and amount due from subsidiary*

The Parent Company assesses at each reporting date whether there is any indication that its investment in the subsidiary, loan to the subsidiary, and amounts due from the subsidiary may be impaired in the separate financial statements of the Parent Company. The subsidiary has been incurring continuous losses, which was considered an indicator of potential impairment.

Management performed an impairment assessment considering various factors, including the subsidiary's financial condition, future business prospects, and expected cash flows. The recoverable amount was determined based on the value-in-use approach using discounted cash flow projections. The key assumptions used in the assessment included:

- Expected revenue growth rates, cost structures, and operating margins.
- Discount rates based on market conditions and risk assessments.
- Future business plans and strategic initiatives undertaken by the subsidiary.

At 31 December 2025, based on the assessment, the Management has estimated the recoverable amount of investment in the subsidiary to be less than the carrying value. Accordingly, an impairment loss of RO 450,474 has been recognized during the year [note 8 b)].

# Ubar Hotels and Resorts SAOG and its Subsidiary

## Financial statements for the period ended 31 March 2026

### Notes to the financial statements

#### 5 MATERIAL ACCOUNTING POLICY INFORMATION

The following accounting policies have been consistently applied in dealing with items considered material to the Group and Parent Company's financial statements.

##### a) Accounting convention

These financial statements have been prepared under the historical cost convention.

##### b) Basis of consolidation

The consolidated statement of financial position incorporates the assets and liabilities of the Parent Company and its subsidiary. All significant intra-group transactions, profits and balances are eliminated on consolidation and all sales and profit figures relate to external transactions and balances only.

##### c) Revenue from contracts with customers

Hotel revenue includes room revenue and food and beverage sales. Revenue from room occupancy is recognized over time as the services are provided by the Hotel and as the customer receives and consumes the benefits provided by the Hotel simultaneously. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated based on their relative stand-alone selling prices.

Revenue from one-off services is recognized at point in time when these services are rendered to the guests. Revenue from sale of food and beverage is recognized at the point in time when control of the items is transferred to the guests, generally on delivery. Revenue from hotels is recognized net of discounts, municipal taxes, tourism taxes and service charges which is recognized on a daily basis over time based on the occupancy.

##### d) Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of property, plant and equipment is their purchase price together with any incidental expenses. The cost of property, plant and equipment also includes borrowing costs that are directly attributable to the acquisition of the property, plant and equipment up to the date of capitalisation.

Following initial recognition at cost, expenditure incurred to replace a component of an item of property, plant and equipment which increases the future economic benefits embodied in the item of property, plant and equipment is capitalized. All other expenditures are recognized in the statement of income as an expense as incurred.

Items of property, plant and equipment are derecognized upon disposal or when no future economic benefit is expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset is included in the statement of income in the year the item is derecognized.

Land is not depreciated. Depreciation is charged on the property, plant and equipment so as to write off their cost less their estimated residual values over their estimated useful lives using the straight-line method. The estimated useful lives are as follows:

|                             | Group    | Parent Company |
|-----------------------------|----------|----------------|
| Leasehold land improvements | 10 years | 10 years       |
| Buildings                   | 40 years | 40 years       |
| Plant and equipment         | 7 years  | 7 years        |
| Furniture and fixtures      | 7 years  | 7 years        |
| Motor vehicles              | 5 years  | 5 years        |

# Ubar Hotels and Resorts SAOG and its Subsidiary

## Financial statements for the period ended 31 March 2026

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### Notes to the financial statements

#### 5 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

##### e) Investment in a subsidiary

A subsidiary which is controlled by the Group is consolidated in the financial statements of the Group. Control is achieved when the Parent Company has power over the investee, that exposes or gives rights to variable returns from its involvement with the investee, and the Parent Company is able to use its power to affect the number of returns from the investee. Generally, control is achieved with a shareholding of more than one half of the voting rights over the relevant activities of the investee.

In the Parent Company's separate financial statements, the investment is carried at cost less impairment. Dividend from the subsidiary is accounted in the year in which the right to receive the payment is established.

##### f) Inventories

Inventories are stated at lower of cost and net realisable value. The cost of inventories is based on the weighted average cost and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is a price at which inventories can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for slow and non-moving items.

##### g) Trade receivables

Trade receivables are amounts due from customers for goods sold and services rendered in the ordinary course of business and represent the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). They are generally due for settlement within 90 days and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing component, when they are recognised at fair value. The Group holds the trade receivable with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

##### h) Taxation

Taxation expense includes both current and deferred taxes, which are recognized in the statement of income. The tax associated with an item recognized in other comprehensive income or equity is recognized in other comprehensive income or equity respectively.

###### *Current tax*

Current tax is the expected tax payable in accordance with Sultanate of Oman's fiscal regulations based on the taxable income for the year using the rate that is applicable as at the reporting date. Current tax also includes any adjustments to the tax payable in respect of prior years.

###### *Deferred tax*

Deferred tax is recognized for all temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are measured using the tax rates expected to apply in the period when the asset is realized or the liability is settled, based on tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets are only recognized to the extent that it is probable that future taxable profits will be available for which the losses can be utilized in the future. This assumption is reviewed at the end of each reporting period. Deferred tax assets are reduced to the extent it is no longer probable that future taxable profits will occur.

# Ubar Hotels and Resorts SAOG and its Subsidiary

## Financial statements for the period ended 31 March 2026

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### Notes to the financial statements

#### 5 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

##### i) Cash and cash equivalents

Cash and cash equivalents comprise bank balances and cash with an original maturity of three months or less.

##### j) Government grant

Government grant is recognized at its fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the asset by equal annual instalments.

Government Grant relates to the building and was initially recognized in the statement of financial position as deferred income at its fair value. Subsequent to initial recognition, the grant is released to profit or loss in equal annual instalments over the estimated useful life of the building.

##### k) Deferred financing costs

The cost of obtaining long-term financing is deferred and amortised over the term of the long-term loan using the effective interest rate method. Deferred financing costs less accumulated amortisation are offset against the drawn amount of long-term loans. The amortisation of deferred financing costs is charged to the statement of income.

##### l) Financial assets

###### *Initial recognition*

The Group's financial assets comprise trade and other receivables, dues from related parties, bank balances and cash. These financial assets are classified, at initial recognition, as subsequently measured at amortized cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

In order for a financial asset to be classified and measured at amortized cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

###### *Subsequent measurement*

The subsequent measurement of financial assets across the various categories are analyzed as follows:

###### Financial assets at amortized cost:

The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Interest income from these financial assets is included in finance income using the effective interest rate method.



## Notes to the financial statements

### 5 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### m) Impairment

##### *Financial assets*

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. The Group measures impairment using the expected credit loss (ECL) model for different categories of financial assets.

##### Trade receivables

The Group recognizes allowance for expected credit losses (ECLs) applying a simplified approach for trade receivables, at an amount equal to lifetime ECLs. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the trade receivables and the economic environment.

##### Other financial assets

For other financial assets, which are subject to impairment, the ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a lifetime ECL is recognized for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default.

For amounts due from subsidiary, other receivables, bank balances and cash, the ECL adjustments are made only if they are material.

##### Write off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

##### *Non-financial assets*

At the end of each reporting period, the Management assesses if there is any indication of impairment of non-financial assets. If an indication exists, the Management estimates the recoverable amount of the asset or cash generating unit (CGU) and recognizes an impairment loss in the statement of income.

The recoverable amount is assessed as higher of assets or CGU's value in use (VIU) and fair value less costs to sell. In assessing the VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects market assessments of the time value of money and other asset specific risks. The Management also assesses if there is any indication that an impairment loss recognized in prior years no longer exists or has reduced. The resultant impairment loss reversals are recognized immediately in the statement of income.



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## Financial statements for the period ended 31 March 2026

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### Notes to the financial statements

#### 5 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

##### n) Employees' end of service and other benefits

Payment is made to the Government of the Sultanate of Oman's Social Protection Fund (SPF) as per Royal Decree number 52 / 2023 for Omani employees for retirement benefits and other contingencies, including maternity leave benefits for all employees.

Provision is made for amounts payable under the Sultanate of Oman's Labour Law as per Royal Decree number 53 / 2023 applicable to expatriate employees accumulated years of service at the end of the reporting period.

##### o) Foreign currency transactions

Foreign currency transactions and monetary assets and liabilities are translated into Omani Rials at the exchange rate prevailing on the transaction date and at the end of the reporting period. Exchange differences arising are taken to the statement of income.

##### p) Provisions

A provision is recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

##### q) Leases

One of the Group's hotel buildings is situated on leased land under a leasing arrangement with the Government of Sultanate of Oman. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices unless it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Leases are recognized as a right of use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Lease liabilities include (wherever applicable) the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option, and
- penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Group's incremental borrowing rate is used.

Lease payments are allocated between the principal and finance cost. The finance cost is charged to the statement of income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

## Notes to the financial statements

### 5 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### q) Leases (Continued)

Right of use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and restoration costs, if applicable.

Right of use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right of use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and of low-value assets are recognized on a straight-line basis as an expense in the statement of income.

#### *Lessor*

Income from operating leases represents rental income from a portion of its property in the building. Lease income is recognised as income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

#### r) Financial liabilities

All financial liabilities are initially measured at fair value and are subsequently measured at amortized cost.

#### s) Directors' remuneration and meeting attendance fees

The Parent Company follows the Commercial Companies Law of Oman, and other relevant directives issued by FSA, in regard to determination of the amount to be paid as Directors' remuneration and meeting attendance fees. Directors' remuneration and meeting attendance fees are charged to the statement of income in the year to which they relate.

#### t) Operating segment

An operating segment is component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. \

The results of the operating segments are reviewed by the Management and Board of Directors to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

# Ubar Hotels and Resorts SAOG and its Subsidiary

## Financial statements for the period ended 31 March 2026

### Notes to the financial statements

#### 6 PROPERTY, PLANT AND EQUIPMENT

- a) The movement and balances of property, plant and equipment for the Group and Parent Company during the years 2026 and 2025 are set out on pages 35 to 38.
- b) The Hotel of Parent Company is built on a plot of leasehold land in Nizwa owned by the Government of Sultanate of Oman [note 7 a)].
- c) The Parent Company's property, plant and equipment carry a negative pledge on them as security against borrowings availed [note 16 d)].
- d) The subsidiary's land and building are mortgaged against borrowing facilities availed from a local commercial bank [note 16 d)] by the Parent Company.
- e) The Management has assessed whether any impairment has occurred in the carrying value of the Group's property, plant and equipment at the end of the reporting period. The Management has estimated based on independent valuations undertaken by valuers that the recoverable amounts of the Group's property, plant and equipment are higher than their carrying values and accordingly, no impairment losses have arisen for the year (2024 – no impairment loss).

#### 7 LEASES

- a) At the end of the reporting period, the leasing arrangements entered into by the Parent Company as a lessee were as follows:
  - The Parent Company has leased land from the Ministry of Housing ('MOH') in Nizwa on which the Hotel has been constructed. However, there was no lease agreement signed between the Parent Company and MOH since the commencement of the use of land from the year 1993.

The Management considered the lease term of 17 years effective 1 January 2019, based on the remaining useful life of the building. The total lease payments due for the years 1993 to 2023 will be settled in monthly installments of ₹ 5,299 over a period of 4 years starting from 2023 to 2026. The lease payments due for the aforementioned period forms part of the total lease liability.

- The Parent Company has also entered into leasing arrangements for vehicles. The average lease term is 5 years.
- b) The movement in the right of use assets during the year is as follows:

##### Group and Parent Company

| 2026                          | Land<br>₹ | Vehicles<br>₹ | Total<br>₹ |
|-------------------------------|-----------|---------------|------------|
| At the beginning of the year  | 81,997    | 10,582        | 92,579     |
| Additions during the year     | --        | --            | -          |
| Charge for the year [note f)] | (1,907)   | (1,593)       | (3,500)    |
| At the end of the year        | 80,090    | 8,989         | 89,079     |
| 2025                          | Land<br>₹ | Vehicles<br>₹ | Total<br>₹ |
| At the beginning of the year  | 83,904    | 11,675        | 95,579     |
| Charge for the year [note f)] | (1,907)   | (1,093)       | (3,000)    |
| At the end of the year        | 81,997    | 10,582        | 92,579     |

# Ubar Hotels and Resorts SAOG and its Subsidiary

## Financial statements for the period ended 31 March 2026

### Notes to the financial statements

#### 7 LEASES (Continued)

- c) At the end of the reporting period, lease liabilities are analyzed as follows:

|                     | Group and<br>Parent Company<br>2026 | 2025           |
|---------------------|-------------------------------------|----------------|
|                     | <u>₹</u>                            | <u>₹</u>       |
| Non-current portion | 94,485                              | 155,679        |
| Current portion     | 47,800                              | 56,888         |
|                     | <u>142,285</u>                      | <u>212,567</u> |

- d) The movement in lease liabilities during the year is as follows:

|                                         | Group and<br>Parent Company<br>2026 | 2025           |
|-----------------------------------------|-------------------------------------|----------------|
|                                         | <u>₹</u>                            | <u>₹</u>       |
| At the beginning of the year            | 172,197                             | 240,659        |
| Additions during the year               | 3,500                               | --             |
| Interest on lease liabilities [note f)] | (33,413)                            | 3,000          |
| Paid during the year                    | (33,413)                            | (31,093)       |
|                                         | <u>142,284</u>                      | <u>212,566</u> |

- e) The contractual maturity analysis of the undiscounted cash flows of the lease liabilities is as follows:

|                           | Group and<br>Parent Company<br>2026 | 2025           |
|---------------------------|-------------------------------------|----------------|
|                           | <u>₹</u>                            | <u>₹</u>       |
| Upto 1 year               | 88,746                              | 87,981         |
| Between 1 year to 5 years | 50,400                              | 124,753        |
| Above 5 years             | 50,400                              | 75,600         |
|                           | <u>189,546</u>                      | <u>288,334</u> |

- f) The amounts included in the statement of comprehensive income relating to leases comprise:

|                          | Group and<br>Parent Company<br>2026 | 2025     |
|--------------------------|-------------------------------------|----------|
|                          | <u>₹</u>                            | <u>₹</u> |
| Depreciation (note 20)   | 4,335                               | 3,158    |
| Interest costs (note 22) | 3,500                               | 3,000    |

- g) The total cash outflow for leases amounted to ₹ 33,413 (2025 – ₹ 31,093) for the Group and Parent Company.

# Ubar Hotels and Resorts SAOG and its Subsidiary

## Financial statements for the period ended 31 March 2026

### Notes to the financial statements

#### 8 INVESTMENT IN A SUBSIDIARY

- a) The investment in the subsidiary (Al Ahlam Hotel Management LLC) has been set off against the share capital and reserves of the subsidiary in the consolidated financial statements. The investment in the subsidiary is carried at cost, less impairment in the Parent Company's separate financial statements.
- b) Pursuant to the consistent losses incurred by the subsidiary, the Management has tested the investment in subsidiary in the Parent Company's separate financial statements for impairment and assessed the recoverable amount to be lower than the carrying value. Accordingly, an impairment loss of ~~£~~ 450,474 (2024 – ~~£~~ 952,038) has been recognised during the year.
- c) The recoverable amount was estimated using the value in use method. The key assumptions used in the impairment calculation included:
- Discount rate of 12.48%;
  - Projected cash flows estimated over 5 years based on management forecast;
  - Growth rate of 8% per annum; and
  - Terminal growth rate of 2%.
- d) The impairment test is sensitive to changes in key assumptions. A variation in these assumptions would have resulted in the following impact on the impairment loss:

|                                        | Change in <del>£</del> |
|----------------------------------------|------------------------|
| Discount rate + / - 1 %                | 134,766                |
| Revenue growth + / - 1%                | 95,051                 |
| Terminal value growth rate + / - 0.25% | 64,758                 |

- e) The movement in the carrying value of the investment in the subsidiary during the year is as follows:

|                                                      | Parent<br>Company<br>2026<br><del>£</del> | 2025<br><del>£</del> |
|------------------------------------------------------|-------------------------------------------|----------------------|
| At the beginning of the year                         | 2,702,394                                 | 3,152,868            |
| Impairment loss recognised during the year [note b)] | -                                         | (450,474)            |
| At the end of the year                               | 2,702,394                                 | 2,702,394            |

#### 9 INVENTORIES

|                                                     | 2026<br><del>£</del> | Group<br>2025<br><del>£</del> | 2026<br><del>£</del> | Parent<br>Company<br>2025<br><del>£</del> |
|-----------------------------------------------------|----------------------|-------------------------------|----------------------|-------------------------------------------|
| Food and beverages                                  | 49,034               | 55,468                        | 29,196               | 31,668                                    |
| Operating supplies, linen and utensils              | 44,943               | 50,107                        | 40,851               | 44,930                                    |
|                                                     | 93,977               | 105,576                       | 70,047               | 76,599                                    |
| Less: provision for slow and non-moving inventories | (72)                 | (72)                          | (72)                 | (72)                                      |
|                                                     | 96,905               | 105,504                       | 69,975               | 76,527                                    |

# Ubar Hotels and Resorts SAOG and its Subsidiary

## Financial statements for the period ended 31 March 2026

### Notes to the financial statements

#### 10 TRADE AND OTHER RECEIVABLES

|                                                             | Group<br>2026<br>₪ | 2025<br>₪ | Parent Company<br>2026<br>₪ | 2025<br>₪ |
|-------------------------------------------------------------|--------------------|-----------|-----------------------------|-----------|
| Trade receivables                                           | 280,726            | 247,266   | 132,328                     | 110,006   |
| Less: allowance for expected credit losses<br>[see note b)] | (40,961)           | (40,961)  | (8,656)                     | (8,656)   |
| Trade receivables (net)                                     | 239,765            | 206,305   | 123,672                     | 101,350   |
| Due from related parties [note 23 d)]                       |                    |           | --                          | --        |
| Prepayments and other receivables                           | 45,313             | 42,958    | 21,433                      | 20,393    |
|                                                             | 285,078            | 249,263   | 145,105                     | 121,743   |

The following further notes apply:

- a) Trade receivables are unsecured and non-interest bearing (2024 – same terms).
- b) The movement in allowance for expected credit losses for trade receivables are given below:

|                              | 2026<br>₪ | Group<br>2025<br>₪ |
|------------------------------|-----------|--------------------|
| At the beginning of the year | 40,961    | 40,961             |
| Written off during the year  | -         | --                 |
| At the end of the year       | 40,961    | 40,961             |

- c) The information about the credit exposure for trade receivables is detailed in note 29 b).

#### 11 DEPOSITS, BANK BALANCES AND CASH

|                                          | 2026<br>₪ | Group<br>2025<br>₪ | 2026<br>₪ | Parent<br>Company<br>2025<br>₪ |
|------------------------------------------|-----------|--------------------|-----------|--------------------------------|
| Restricted bank deposit (see note below) | 125,013   | 202,099            | 125,013   | 202,099                        |
| Bank balances                            | 21,086    | 14,958             | 18,828    | 10,775                         |
| Cash in hand                             | 6,720     | 8,479              | 1,390     | 2,649                          |
| Cash and cash equivalents                | 27,806    | 23,437             | 20,218    | 13,424                         |

The following further note applies:

Restricted bank deposits includes security deposit which are held under bank accounts as security by a local commercial bank against the term loan availed by the Parent Company [note 16 d)]. These bank deposits are not considered as part of cash and cash equivalents.

#### 12 SHARE CAPITAL

- a) The Parent Company's authorised share capital is ₪ 6,000,000 (2025 – ₪ 6,000,000) comprising of 60,000,000 (2025 – 60,000,000) shares of 100 baizas each (2025 – ₪ 0.100 each). The issued and paid-up share capital of the Company is ₪ 5,501,750 (2025 – ₪ 5,501,750) comprising 55,017,500 (2025 – ₪ 55,017,500) shares of 100 baiza each.

# Ubar Hotels and Resorts SAOG and its Subsidiary

## Financial statements for the period ended 31 March 2026

### Notes to the financial statements

#### 12 SHARE CAPITAL (Continued)

- b) At the end of the reporting period, Shareholders of the Parent Company who owns 10% or more of the Parent Company's shares, and the number of shares they hold are as follows:

|                                    | 2026                |        | 2025                |        |
|------------------------------------|---------------------|--------|---------------------|--------|
|                                    | Number of<br>shares | %      | Number of<br>shares | %      |
| Mohammed Al Barwani Investment LLC | 33,733,917          | 61.32% | 33,733,917          | 61.32% |
| Social Protection Fund             | 8,867,986           | 16.12% | 8,867,986           | 16.12% |

#### 13 LEGAL RESERVE

- a) In accordance with Articles 132 and 274 of the Commercial Companies Law of Oman, annual appropriation of 10% of the net profit for the year of the Parent Company and the subsidiary respectively is to be made to the legal reserve until the reserve equals one third of the capital.
- b) The reserve is not available for distribution as dividend, but can be utilised to set off against any accumulated losses. For the Parent Company, the reserve is also available for increasing its share capital.
- c) No transfers have been made in the current year as the Parent Company and the subsidiary have incurred losses.

#### 14 OTHER RESERVES

##### a) *Special Reserve – Parent Company*

The special reserve is a voluntary non-distributable reserve created by transfer of profit for the year made at the discretion of the Board of Directors to cover future business requirements.

##### b) *Replacement Reserve – Subsidiary*

The replacement reserve was created for utilization in replacement and additions to the hotel's furniture, furnishings, fixtures, equipment, and other tangible assets. Following the termination of the agreement with Rezidor SAS Hotels and Resorts Middle East WLL, the replacement reserve was transferred and adjusted against the accumulated losses in the year 2024.

#### 15 DEFERRED GOVERNEMENT GRANT

|                              | Group and<br>Parent Company |          |
|------------------------------|-----------------------------|----------|
|                              | 2026                        | 2025     |
|                              | <u>₹</u>                    | <u>₹</u> |
| At the beginning of the year | 50,958                      | 57,626   |
| Released during the year     | (1,667)                     | (1,667)  |
| At the end of the year       | 49,291                      | 55,959   |
| Less: current portion        | (6,668)                     | (6,668)  |
| Non-current portion          | 42,623                      | 49,291   |

The following further note applies:

Deferred Government grant represents a grant amounting to ₹ 500,000 provided by the Government of the Sultanate of Oman during 1995 towards the original project cost of the hotel.



# Ubar Hotels and Resorts SAOG and its Subsidiary

## Financial statements for the period ended 31 March 2026

### Notes to the financial statements

#### 16 TERM LOANS

|                                | Group and<br>Parent Company<br>2026 | 2025      |
|--------------------------------|-------------------------------------|-----------|
|                                | <u>₹</u>                            | <u>₹</u>  |
| Term loan                      | 3,427,841                           | 2,817,759 |
| Less: Deferred financing costs | (122,159)                           | (69,719)  |
|                                | 3,305,682                           | 2,748,040 |
| Less: current portion          | (213,000)                           | (309,658) |
| Total non-current portion      | 3,092,682                           | 2,438,382 |

The following further notes apply:

- a) Term loan 1 was availed by the Parent Company from a local commercial bank. The loan is subject to interest at 7% (2025 – 7%) per annum. The interest rate is subject to semi-annual review. The loan is repayable in 30 quarterly installments of varying amounts, which commenced from 30 September 2023 for the interest portion and from 31 March 2024 for the principal portion.
- b) Term loan 2, obtained by the Parent Company from a local commercial bank, is not subject to interest. The loan is repayable in 12 equal installments.
- c) Term loan 3 was availed by the Parent Company from a local commercial bank. The loan is subject to interest at 7% (2024 – 7%) per annum. The interest rate is subject to semi-annual review. The loan is repayable in 28 equal quarterly installments, which commenced from 30 March 2024 for the interest portion and from 31 March 2025 for the principal portion.
- d) The term loans and bank borrowings (note 17) are secured against the following:
  - first ranking mortgage on the land and building of “Golden Tulip Hotel” located at Al Ghubrah, Muscat [note 6 d)];
  - assignment of the insurance policies of the subsidiary;
  - assignment of subsidiary’s revenues;
  - a promissory note of ₹ 3,658,600;
  - Debt Service Reserve Account (DSRA) balance of minimum ₹ 200,000 which can be utilized after lender’s approval towards term loan interest and principal payments (note 11);
  - corporate guarantee from the subsidiary; and
  - negative pledge on certain property plant and equipment of the Parent Company [note 6 c)].
- e) The term loan facilities are subject to certain restrictive covenants which, if violated, could permit the bank to cancel or reduce the facilities [note 29 d)]. The actual ratios were not within the covenanted level at 31 December 2025.
- f) The Parent Company had defaulted in the repayment of the term loan instalments amounting to ₹ 97,915. However, instalments amounting to ₹ 47,371 were repaid subsequent to the end of the reporting period. Accordingly, the Management believes that the bank is unlikely to demand immediate repayment of the term loans. The default charge of 2% per annum has been charged on the outstanding loan in accordance with the facility agreement.

# Ubar Hotels and Resorts SAOG and its Subsidiary

## Financial statements for the period ended 31 March 2026

### Notes to the financial statements

#### 16 TERM LOANS (Continued)

- g) The maturity profile of the non-current portion of term loans (including unamortized transaction cost) based on the remaining period to maturity from the end of the reporting period is as follows:

|                       | Group and<br>Parent Company<br>2026 | 2025             |
|-----------------------|-------------------------------------|------------------|
|                       | <u>₹</u>                            | <u>₹</u>         |
| Between 1 and 2 years | 213,000                             | 340,200          |
| Between 2 and 5 years | 3,001,841                           | 2,167,901        |
|                       | <u>3,214,841</u>                    | <u>2,508,101</u> |

#### 17 BANK BORROWINGS

The Group's bank borrowings comprise bank overdraft obtained by the Parent Company from a local commercial bank and carries interest at the rate of 6.75% per annum (2025 – 6.75% per annum). The interest rates on bank borrowings are subject to semi-annual review. Bank borrowings and other facilities are availed against securities provided as disclosed in note 16 d).

#### 18 TRADE AND OTHER PAYABLES

|                                            | 2026             | Group<br>2025    | 2026           | Parent<br>Company<br>2025 |
|--------------------------------------------|------------------|------------------|----------------|---------------------------|
|                                            | <u>₹</u>         | <u>₹</u>         | <u>₹</u>       | <u>₹</u>                  |
| Trade payables                             | 1,035,453        | 1,038,822        | 382,828        | 387,456                   |
| Directors' meeting attendance fees payable | 132,600          | 115,100          | 132,600        | 115,100                   |
| Due to related parties [note 23 d)]        | 45,011           | 83,339           | 40,411         | 69,206                    |
| Accruals and other payables                | 330,107          | 157,830          | 303,080        | 136,425                   |
|                                            | <u>1,543,171</u> | <u>1,395,091</u> | <u>858,919</u> | <u>708,187</u>            |

#### 19 REVENUES

|                    | 2026           | Group<br>2025  | 2026           | Parent<br>Company<br>2025 |
|--------------------|----------------|----------------|----------------|---------------------------|
|                    | <u>₹</u>       | <u>₹</u>       | <u>₹</u>       | <u>₹</u>                  |
| Room revenue       | 425,046        | 435,465        | 216,965        | 236,064                   |
| Food and beverages | 316,389        | 319,735        | 172,633        | 175,979                   |
| Others             | 70,717         | 71,069         | 36,242         | 36,594                    |
|                    | <u>812,152</u> | <u>826,269</u> | <u>425,840</u> | <u>448,637</u>            |

# Ubar Hotels and Resorts SAOG and its Subsidiary

## Financial statements for the period ended 31 March 2026

### Notes to the financial statements

#### 20 OPERATING COSTS

|                                                        | 2026           | Group<br>2025  | 2026           | Parent<br>Company<br>2025 |
|--------------------------------------------------------|----------------|----------------|----------------|---------------------------|
|                                                        | <u>₹</u>       | <u>₹</u>       | <u>₹</u>       | <u>₹</u>                  |
| Salaries and employee related costs [note 20 a)]       | 423,230        | 409,187        | 218,234        | 219,262                   |
| Food and beverages                                     | 106,123        | 121,891        | 55,576         | 59,781                    |
| Depreciation on property, plant and equipment (note 6) | 89,218         | 90,733         | 26,031         | 28,808                    |
| Utilities                                              | 67,620         | 72,599         | 30,883         | 31,950                    |
| Operating supplies                                     | 18,089         | 20,978         | 7,992          | 10,168                    |
| Repairs and maintenance                                | 15,857         | 14,586         | 6,882          | 4,548                     |
| Entertainment band                                     | 13,808         | 9,488          | 12,016         | 2,527                     |
| Royalty and management fees [notes 2 and 23 b)]        | 17,319         | 14,261         | 10,508         | 8,262                     |
| Directors' meeting attendance fees [note 23 b)]        | 9,200          | 8,100          | 9,200          | 8,100                     |
| Telephone and internet                                 | 8,270          | 8,521          | 4,229          | 3,939                     |
| Legal and professional fees                            | 6,975          | 6,564          | 4,822          | 3,342                     |
| Registration and renewal fees                          | 5,613          | 5,033          | 3,683          | 3,429                     |
| IT expenses                                            | 7,800          | 9,112          | 1,681          | 1,704                     |
| Transportation                                         | 2,952          | 3,734          | 1,896          | 2,122                     |
| Sales and business promotion                           | 26,645         | 30,319         | 10,866         | 8,337                     |
| Depreciation on right of use assets [note 7 f)]        | 4,335          | 3,158          | 4,335          | 3,158                     |
| Insurance                                              | 3,904          | 3,850          | 1,712          | 1,707                     |
| Miscellaneous                                          | 784            | 4,042          | 764            | 2,514                     |
|                                                        | <u>827,741</u> | <u>836,156</u> | <u>411,309</u> | <u>403,658</u>            |

The following further notes apply:

- a) Salaries and employee related costs comprise the following:

|                                                          | 2026          | Group<br>2025 | 2026          | Parent<br>Company<br>2025 |
|----------------------------------------------------------|---------------|---------------|---------------|---------------------------|
|                                                          | <u>₹</u>      | <u>₹</u>      | <u>₹</u>      | <u>₹</u>                  |
| Cost of end of service benefits for expatriate employees | 26,182        | 24,884        | 19,111        | 16,991                    |
| Contributions to defined contributions retirement plan   | 17,513        | 16,043        | 10,564        | 10,706                    |
|                                                          | <u>43,694</u> | <u>40,927</u> | <u>29,675</u> | <u>27,697</u>             |

- b) Movements in expatriate employees' end of service benefits liability during the year is as follows:

|                               | 2026           | Group<br>2025  | 2026           | Parent<br>Company<br>2025 |
|-------------------------------|----------------|----------------|----------------|---------------------------|
|                               | <u>₹</u>       | <u>₹</u>       | <u>₹</u>       | <u>₹</u>                  |
| At the beginning of the year  | 428,277        | 378,447        | 336,968        | 301,557                   |
| Charge for the year           | 26,182         | 24,884         | 19,111         | 16,991                    |
| Payments made during the year | (11,903)       | -              | (2,267)        | -                         |
| At the end of the year        | <u>442,555</u> | <u>403,331</u> | <u>353,812</u> | <u>318,548</u>            |

# Ubar Hotels and Resorts SAOG and its Subsidiary

## Financial statements for the period ended 31 March 2026

### Notes to the financial statements

#### 21 OTHER INCOME

|                                                      | 2026       | Group<br>2025 | 2026       | Parent<br>Company<br>2025 |
|------------------------------------------------------|------------|---------------|------------|---------------------------|
|                                                      | <u>₹</u>   | <u>₹</u>      | <u>₹</u>   | <u>₹</u>                  |
| Gain on disposal of property,<br>plant and equipment | 150        | 740           | 150        | 740                       |
| Miscellaneous                                        | 529        | 566           | 502        | 549                       |
|                                                      | <u>679</u> | <u>1,306</u>  | <u>652</u> | <u>1,289</u>              |

#### 22 FINANCE CHARGES (NET)

|                                           | 2026          | Group<br>2025 | 2026          | Parent<br>Company<br>2025 |
|-------------------------------------------|---------------|---------------|---------------|---------------------------|
|                                           | <u>₹</u>      | <u>₹</u>      | <u>₹</u>      | <u>₹</u>                  |
| Interest on term loans                    | 49,872        | 52,321        | 49,872        | 52,321                    |
| Interest on bank borrowings               | 8,342         | 8,338         | 8,342         | 8,338                     |
| Interest on lease liabilities [note 7 f)] | 3,500         | 3,000         | 3,500         | 3,000                     |
| Other finance charges                     | 16,986        | 17,161        | 11,625        | 11,694                    |
|                                           | <u>78,700</u> | <u>80,820</u> | <u>73,339</u> | <u>75,353</u>             |
| Less:                                     |               |               |               |                           |
| Interest income (refer note below)        | --            | --            | (61,020)      | (60,616)                  |
|                                           | <u>78,700</u> | <u>80,820</u> | <u>12,319</u> | <u>14,737</u>             |

The following note applies:

An amount equivalent to the loan obtained from the commercial bank was transferred to the subsidiary on the same terms and conditions as obtained by the Parent Company from the commercial bank. Accordingly, interest expense of ₹ 61,020 (2025 – ₹ 60,616) has been recharged to the subsidiary [notes 23 a) and e)].

#### 23 RELATED PARTY TRANSACTIONS AND BALANCES

- a) The Parent Company and the Group enter into transactions in the ordinary course of business with key management personnel (including Board of Directors), subsidiary and entities in which the key Management personnel / significant shareholders of the Parent Company have significant influence or control. Prices and terms of payment for these transactions are approved by the Management and the Board of Directors. The nature and volume of these transactions during the year for the Group and the Parent Company were as follows:

|                                                 | 2026     | Group<br>2025 | 2026     | Parent<br>Company<br>2025 |
|-------------------------------------------------|----------|---------------|----------|---------------------------|
|                                                 | <u>₹</u> | <u>₹</u>      | <u>₹</u> | <u>₹</u>                  |
| Revenue from contract with customers            | -        | -             | --       | --                        |
| Royalty and management fees<br>(notes 2 and 20) | 37,486   | 30,005        | 10,508   | 8,262                     |
| Interest income (note 22)                       | --       | --            | 61,020   | 60,616                    |
| Loan disbursed to subsidiary                    | --       | --            | 118,500  | 544,184                   |

# Ubar Hotels and Resorts SAOG and its Subsidiary

## Financial statements for the period ended 31 March 2026

### Notes to the financial statements

#### 23 RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

- b) The key management personnel compensation for the year comprises:

|                                                   | 2026          | Group<br>2025 | 2026          | Parent<br>Company<br>2025 |
|---------------------------------------------------|---------------|---------------|---------------|---------------------------|
|                                                   | <u>₹</u>      | <u>₹</u>      | <u>₹</u>      | <u>₹</u>                  |
| Short term employment and end of service benefits | 23,155.       | 36,644        | 11,578        | 19,901                    |
| Directors' meeting attendance fees (note 20)      | 9,200         | 8,100         | 9,200         | 8,100                     |
|                                                   | <u>32,355</u> | <u>44,744</u> | <u>20,778</u> | <u>28,001</u>             |

- c) The amount due from subsidiary is interest free and repayable on demand (2025 – similar terms).
- d) The amounts due from and due to related parties and due to a Shareholder are unsecured, repayable on demand and not subject to interest (2025 – similar terms).
- e) Loan to the subsidiary is subject to interest at 7% per annum (2024 – 7% per annum) and is repayable in 28 quarterly instalments of varying amounts which commenced from 30 September 2023. The loan to subsidiary, receivable within a year is disclosed under current assets. The maturity profile of the loan to subsidiary is as follows:

|                                             | 2026             | Parent<br>Company<br>2025 |
|---------------------------------------------|------------------|---------------------------|
|                                             | <u>₹</u>         | <u>₹</u>                  |
| Total loan to subsidiary                    | 3,550,000        | 2,910,784                 |
| Less: current portion of loan to subsidiary | (213,000)        | (332,964)                 |
| Non-current portion of loan to subsidiary   | <u>3,337,000</u> | <u>2,577,820</u>          |

#### 24 TAXATION

|                                        | Group and<br>Parent Company<br>2026 | 2025     |
|----------------------------------------|-------------------------------------|----------|
|                                        | <u>₹</u>                            | <u>₹</u> |
| <b>Statement of financial position</b> |                                     |          |
| <i>Current liabilities</i>             |                                     |          |
| Prior years                            | 11,392                              | 11,392   |

The following further notes apply:

- a) The Group is subject to taxation at 15% of taxable income (2025 – 15%) on the profit for the year adjusted for taxation purposes. No provision for current taxation has been made since the Group, both the Parent Company and subsidiary, have incurred taxable losses during the year (2025 – taxable loss).
- b) During the year, the Parent Company and subsidiary's tax assessments for the year 2021 were finalised by the Tax Authority with no additional demand for tax.
- c) The Parent Company and subsidiary's tax assessments for the years 2022 to 2025 are pending to be finalized by the Taxation Authority. The Management considers that the amount of additional taxes, if any, that may become payable on finalization of the assessments for the above tax years, will not be material to the Group's financial position at the end of the reporting period.

# Ubar Hotels and Resorts SAOG and its Subsidiary

## Financial statements for the period ended 31 March 2026

### Notes to the financial statements

#### 24 TAXATION (Continued)

- d) The Group and Parent Company have not recognized a potential deferred tax asset amounting to ~~₹~~ 636,368 (2024 – ~~₹~~ 592,278) and ~~₹~~ 177,882 (2024 – ~~₹~~ 172,311) respectively on the deductible temporary differences and carry forward losses until future taxable profitability is consistently demonstrated.

#### 25 BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net loss for the year by the weighted average number of shares outstanding during the year as follows:

|                                                                  | 2026<br><del>₹</del> | Group<br>2025<br><del>₹</del> | 2026<br><del>₹</del> | Parent<br>Company<br>2025<br><del>₹</del> |
|------------------------------------------------------------------|----------------------|-------------------------------|----------------------|-------------------------------------------|
| Loss for the year                                                | (94,784)             | (93,590)                      | 1,690                | 30,167                                    |
| Weighted average number of<br>shares outstanding during the year | 55,017,500           | 52,825,719                    | 55,017,500           | 52,825,719                                |
| Basic earnings per share (in <del>₹</del> )                      | (0.002)              | (0.002)                       | (0.000)              | (0.001)                                   |

#### 26 NET ASSETS PER SHARE

Net assets per share is calculated by dividing the net assets at the end of the reporting period by the number of shares outstanding as follows:

|                                                | 2026<br><del>₹</del> | Group<br>2025<br><del>₹</del> | 2026<br><del>₹</del> | Parent<br>Company<br>2025<br><del>₹</del> |
|------------------------------------------------|----------------------|-------------------------------|----------------------|-------------------------------------------|
| Net assets (in <del>₹</del> )                  | 3,663,546            | 4,256,628                     | 4,711,997            | 5,277,336                                 |
| Number of shares outstanding<br>at 31 December | 55,017,500           | 55,017,500                    | 55,017,500           | 55,017,500                                |
| Net assets per share (in <del>₹</del> )        | 0.067                | 0.077                         | 0.086                | 0.096                                     |

#### 27 CONTINGENT LIABILITIES

At the end of the reporting period, the Group had bank guarantees amounting to ~~₹~~ 1,750 (2025 – ~~₹~~ 1,750) with a commercial bank issued in the normal course of business.

#### 28 OPERATING SEGMENTS

The Group operates in two reportable segments within the geographical segment of Sultanate of Oman, that of hospitality. For each of the strategic business units, the Group's Management reviews internal management reports on a regular basis. The reportable segments are as below:

- Ubar Hotels and Resorts SAOG – Ownership and operation of Golden Tulip Hotel in Nizwa; and
- Al Ahlam Hotel Management LLC, subsidiary – Ownership and operation of Golden Tulip Hotel in Muscat

All relevant information relating to the operating segments is disclosed in the financial statements.

# Ubar Hotels and Resorts SAOG and its Subsidiary

## Financial statements for the period ended 31 March 2026

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### Notes to the financial statements

#### 29 FINANCIAL RISK AND CAPITAL MANAGEMENT

The Group's activities expose it to various financial risks, primarily being, market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's risk management is carried out internally in accordance with the approval of the Board of Directors.

##### a) Market risk

###### *Currency risk*

The Group is exposed to foreign exchange risk arising with respect to the transactions in foreign currency, which are substantially denominated in US Dollar. However, since the Omani Rial (﷮) is pegged against the US Dollar, the Management does not believe that the Group is exposed to any material currency risk.

###### *Interest rate risk*

The Group is exposed to interest rate risk on its interest-bearing liabilities (term loans and other borrowings). The Parent Company is also additionally exposed to interest rate risk on loan given to the subsidiary. However, the net impact of any reasonable fluctuation in the interest rates, is not expected to be material to the Group and Parent Company's financial position at the end of the reporting period.

The Management analyses interest rate exposure on a regular basis, renegotiates interest rates at terms favorable to the Group and ensures that they are as far as possible on a fixed rate basis. The term loans and bank borrowings are at fixed interest rates.

For every 0.5% change in interest rate, the impact on the statement of income of the Group will approximate to ~~﷮~~ 16,112 (2025 – ~~﷮~~ 16,112) based on the level of interest-bearing liabilities at the end of the reporting period.

##### b) Credit risk

###### Trade receivables

Credit risk primarily arises from credit exposures to customers, including outstanding receivables and committed transactions. The Group has a credit policy in place and exposure to credit risk is monitored on an ongoing basis.

Credit evaluations are performed on all customers requiring credit over a certain amount. The carrying value of trade and other receivables approximate their fair values due to the short-term nature of those receivables.

###### *Expected credit losses (ECL)*

The Group applies the IFRS 9 simplified approach to measuring ECL which uses a lifetime expected loss allowance for all trade receivables. At 31 March 2026, the default rate applied on Group's trade receivables is approximately 14% (2025 – 14%).



# Ubar Hotels and Resorts SAOG and its Subsidiary

## Financial statements for the period ended 31 March 2026

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### Notes to the financial statements

#### 29 FINANCIAL RISK AND CAPITAL MANAGEMENT (Continued)

##### b) Credit risk (Continued)

###### *Bank deposits and bank balances:*

Credit risk from bank deposits and bank balances maintained in current accounts with local commercial banks is managed by ensuring balances are maintained with reputed banks only. The ECL on these balances are not expected to be material to the Group's and Parent Company's financial position at the end of the reporting period and have accordingly not been provided.

###### *Due from related parties:*

Credit risk on amounts due from related parties is minimal. Accordingly, no ECL has been provided on these balances at the end of the reporting period.

##### c) Liquidity risk

The Management monitors liquidity requirements on a regular basis and ensures that sufficient funds are available including unutilized credit facilities to meet all liabilities as they fall due. The Group and Parent Company manages liquidity risk by maintaining adequate reserves and banking facilities and continuously monitoring forecast and actual cash flows.

The maturity analysis in respect of the term loans and lease liabilities has been provided in notes 16 g) and 7 e) respectively. All current financial liabilities are expected to be repaid within three to six months from the end of the reporting period.

##### d) Capital management

The Parent Company's objectives when managing capital is to enable the entity to continue as a going concern, so that it can provide adequate returns to the Shareholders. The Parent Company also ensures compliance with externally imposed capital requirements. In order to maintain or adjust the capital structure, the Parent Company may adjust the number of dividends paid to the Shareholders, return capital to Shareholders or raise additional capital.

In the context of managing capital (equity), the Group has covenanted, with the bank providing external debt, to maintain specified ratios. At the end of the reporting period, the actual ratios were not within the covenanted level and the Management believes that the non-compliance of these covenants will not result in immediate repayment of the term loans and bank borrowings.

#### 30 COMPARATIVES

Comparatives have been reclassified, wherever necessary, to conform to the presentation adopted in these consolidated financial statements for the current year.

Ubar Hotels and Resorts SAOG and its Subsidiary  
Financial statements for the period ended 31 March 2026

**Notes to the financial statements**

**6 PROPERTY, PLANT AND EQUIPMENT (Continued)**

**Group**

| <b>Year 2026</b>              | <b>Land</b>                                                                       | <b>Leasehold land improvements</b>                                                  | <b>Buildings</b>                                                                    | <b>Plant and equipment</b>                                                          | <b>Motor vehicles</b>                                                               | <b>Furniture and fixtures</b>                                                       | <b>Total</b>                                                                        |
|-------------------------------|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
|                               |  |  |  |  |  |  |  |
| <b>Cost</b>                   |                                                                                   |                                                                                     |                                                                                     |                                                                                     |                                                                                     |                                                                                     |                                                                                     |
| At 31 December 2025           | 1,540,000                                                                         | 172,260                                                                             | 12,020,253                                                                          | 3,091,578                                                                           | 97,650                                                                              | 1,551,579                                                                           | 18,473,320                                                                          |
| Additions during the year     | -                                                                                 | -                                                                                   | -                                                                                   | 1,813                                                                               | -                                                                                   | 576                                                                                 | 2,389                                                                               |
| Disposals during the year     | -                                                                                 | -                                                                                   | -                                                                                   | -                                                                                   | -                                                                                   | -                                                                                   | -                                                                                   |
| <b>At 31 March 2026</b>       | <b>1,540,000</b>                                                                  | <b>172,260</b>                                                                      | <b>12,020,253</b>                                                                   | <b>3,093,391</b>                                                                    | <b>97,650</b>                                                                       | <b>1,552,155</b>                                                                    | <b>18,475,709</b>                                                                   |
| <b>Depreciation</b>           |                                                                                   |                                                                                     |                                                                                     |                                                                                     |                                                                                     |                                                                                     |                                                                                     |
| At 31 December 2025           | -                                                                                 | 172,260                                                                             | 5,028,604                                                                           | 3,036,658                                                                           | 77,076                                                                              | 1,409,816                                                                           | 9,724,415                                                                           |
| Charge for the year (note 20) | -                                                                                 | -                                                                                   | 74,850                                                                              | 7,788                                                                               | 1,172                                                                               | 5,408                                                                               | 89,218                                                                              |
| Relating to disposals         | -                                                                                 | -                                                                                   | -                                                                                   | -                                                                                   | -                                                                                   | -                                                                                   | -                                                                                   |
| <b>At 31 March 2026</b>       | <b>-</b>                                                                          | <b>172,260</b>                                                                      | <b>5,103,458</b>                                                                    | <b>3,044,446</b>                                                                    | <b>78,248</b>                                                                       | <b>1,415,224</b>                                                                    | <b>9,813,632</b>                                                                    |
| <b>Net book values</b>        |                                                                                   |                                                                                     |                                                                                     |                                                                                     |                                                                                     |                                                                                     |                                                                                     |
| <b>At 31 March 2026</b>       | <b>1,540,000</b>                                                                  | <b>-</b>                                                                            | <b>6,916,795</b>                                                                    | <b>48,945</b>                                                                       | <b>19,402</b>                                                                       | <b>136,931</b>                                                                      | <b>8,662,073</b>                                                                    |

Ubar Hotels and Resorts SAOG and its Subsidiary  
Financial statements for the period ended 31 March 2026

**Notes to the financial statements**

**6 PROPERTY, PLANT AND EQUIPMENT (Continued)**

**Group**

| <b>Year 2025</b>              | <b>Land</b>      | <b>Leasehold land<br/>improvements</b> | <b>Buildings</b>  | <b>Plant and<br/>equipment</b> | <b>Motor<br/>vehicles</b> | <b>Furniture and<br/>fixtures</b> | <b>Total</b>      |
|-------------------------------|------------------|----------------------------------------|-------------------|--------------------------------|---------------------------|-----------------------------------|-------------------|
|                               | <u>₹</u>         | <u>₹</u>                               | <u>₹</u>          | <u>₹</u>                       | <u>₹</u>                  | <u>₹</u>                          | <u>₹</u>          |
| <b>Cost</b>                   |                  |                                        |                   |                                |                           |                                   |                   |
| At 31 December 2024           | 1,540,000        | 172,260                                | 12,018,701        | 3,121,048                      | 88,490                    | 1,546,050                         | 18,486,549        |
| Additions during the year     | -                | -                                      | -                 | 987                            | -                         | 6,530                             | 7,517             |
| Disposals during the year     | -                | -                                      | -                 | (30,047)                       | (11,990)                  | (10,176)                          | (52,213)          |
| <b>At 31 March 2025</b>       | <b>1,540,000</b> | <b>172,260</b>                         | <b>12,018,701</b> | <b>3,091,988</b>               | <b>76,500</b>             | <b>1,542,404</b>                  | <b>18,441,853</b> |
| <b>Depreciation</b>           |                  |                                        |                   |                                |                           |                                   |                   |
| At 31 December 2024           | -                | 172,234                                | 4,728,031         | 3,031,465                      | 86,439                    | 1,402,349                         | 9,420,518         |
| Charge for the year (note 20) | -                | 7                                      | 74,839            | 10,479                         | 12                        | 5,396                             | 90,733            |
| Disposals during the year     | -                | -                                      | -                 | (30,047)                       | (11,990)                  | (10,176)                          | (52,213)          |
| <b>At 31 March 2025</b>       | <b>-</b>         | <b>172,241</b>                         | <b>4,802,870</b>  | <b>3,011,897</b>               | <b>74,461</b>             | <b>1,397,569</b>                  | <b>9,459,038</b>  |
| <b>Net book values</b>        |                  |                                        |                   |                                |                           |                                   |                   |
| <b>At 31 March 2025</b>       | <b>1,540,000</b> | <b>19</b>                              | <b>7,215,831</b>  | <b>80,091</b>                  | <b>2,039</b>              | <b>144,835</b>                    | <b>8,982,815</b>  |

Ubar Hotels and Resorts SAOG and its Subsidiary  
Financial statements for the period ended 31 March 2026

**Notes to the financial statements**

**6 PROPERTY, PLANT AND EQUIPMENT (Continued)**

**Parent Company**

| <b>Year 2026</b>              | Leasehold land<br>improvements | Buildings        | Plant, and<br>equipment | Motor<br>vehicles | Furniture and<br>fixtures | Total            |
|-------------------------------|--------------------------------|------------------|-------------------------|-------------------|---------------------------|------------------|
|                               | <u>₹</u>                       | <u>₹</u>         | <u>₹</u>                | <u>₹</u>          | <u>₹</u>                  | <u>₹</u>         |
| <b>Cost</b>                   |                                |                  |                         |                   |                           |                  |
| At 31 December 2025           | 172,260                        | 3,518,528        | 1,551,550               | 54,325            | 830,256                   | 6,126,919        |
| Additions during the year     | -                              | -                | 594                     | -                 | 576                       | 1,170            |
| Disposals during the year     | -                              | -                | -                       | -                 | -                         | -                |
| <b>At 31 March'2026</b>       | <b>172,260</b>                 | <b>3,518,528</b> | <b>1,552,143</b>        | <b>54,325</b>     | <b>830,832</b>            | <b>6,128,088</b> |
| <b>Depreciation</b>           |                                |                  |                         |                   |                           |                  |
| At 31 December 2025           | 172,260                        | 2,176,997        | 1,535,015               | 53,406            | 799,940                   | 4,737,619        |
| Charge for the year (note 20) | -                              | 21,689           | 3,465                   | 12                | 865                       | 26,031           |
| Relating to disposals         | -                              | -                | -                       | -                 | -                         | -                |
| <b>At 31 March'2026</b>       | <b>172,260</b>                 | <b>2,198,686</b> | <b>1,538,480</b>        | <b>53,418</b>     | <b>800,805</b>            | <b>4,763,649</b> |
| <b>Net book values</b>        |                                |                  |                         |                   |                           |                  |
| <b>At 31 March'2026</b>       | <b>-</b>                       | <b>1,319,842</b> | <b>13,664</b>           | <b>907</b>        | <b>30,027</b>             | <b>1,364,439</b> |

Ubar Hotels and Resorts SAOG and its Subsidiary  
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**Notes to the financial statements**

**6 PROPERTY, PLANT AND EQUIPMENT (Continued)**

**Parent Company**

| <b>Year 2025</b>              | Leasehold land<br>improvements | Buildings        | Plant, and<br>equipment | Motor<br>vehicles | Furniture and<br>fixtures | Total            |
|-------------------------------|--------------------------------|------------------|-------------------------|-------------------|---------------------------|------------------|
|                               | <u>⌂</u>                       | <u>⌂</u>         | <u>⌂</u>                | <u>⌂</u>          | <u>⌂</u>                  | <u>⌂</u>         |
| <b>Cost</b>                   |                                |                  |                         |                   |                           |                  |
| At 31 December 2024           | 172,260                        | 3,516,976        | 1,582,237               | 66,315            | 833,215                   | 6,171,003        |
| Additions during the year     | -                              | -                | 987                     | -                 | 3,425                     | 4,412            |
| Disposals during the year     | -                              | -                | (30,047)                | (11,990)          | (10,176)                  | (52,213)         |
| At 31 March 2025              | <b>172,260</b>                 | <b>3,516,976</b> | <b>1,553,177</b>        | <b>54,325</b>     | <b>826,464</b>            | <b>6,123,202</b> |
| <b>Depreciation</b>           |                                |                  |                         |                   |                           |                  |
| At 31 December 2024           | 172,234                        | 2,089,059        | 1,547,529               | 64,269            | 810,252                   | 4,683,343        |
| Charge for the year (note 20) | 7                              | 21,679           | 6,030                   | 12                | 1,080                     | 28,808           |
| Relating to disposals         | -                              | -                | (30,047)                | (11,990)          | (10,176)                  | (52,213)         |
| At 31 March 2025              | <b>172,241</b>                 | <b>2,110,738</b> | <b>1,523,512</b>        | <b>52,291</b>     | <b>801,156</b>            | <b>4,659,938</b> |
| <b>Net book values</b>        |                                |                  |                         |                   |                           |                  |
| At 31 March 2025              | 19                             | 1,406,238        | 29,665                  | 2,034             | 25,308                    | 1,463,264        |