

Gulf Hotels Group B.S.C.

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

30 SEPTEMBER 2025 (REVIEWED)



Shape the future
with confidence

Ernst & Young - Middle East
P.O. Box 140
East Tower, 10th Floor
Bahrain World Trade Center
Manama, Kingdom of Bahrain

Tel: +973 1753 5455
Fax: +973 1753 5405
manama@bh.ey.com
www.ey.com/mena
C.R. No. 29977-1

REPORT ON THE REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF GULF HOTELS GROUP B.S.C.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Gulf Hotels Group B.S.C. ("the Company") and its subsidiaries (together "the Group") as at 30 September 2025, comprising of the interim consolidated statement of financial position as at 30 September 2025 and the related interim consolidated statement of profit or loss and other comprehensive income for the three and nine-month periods then ended and related interim consolidated statements of cash flows and changes in equity for the nine-month period then ended and related explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

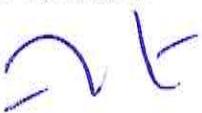
Partner's Registration No. 115
12 November 2025
Manama, Kingdom of Bahrain

Gulf Hotels Group B.S.C.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2025

	Note	30 September 2025 (Reviewed)	31 December 2024 (Audited)
ASSETS		BD	BD
Non-current assets			
Property and equipment		73,479,210	73,728,435
Investment properties		568,534	576,609
Investments in associates and a joint venture	5	6,575,989	6,998,230
Prepayments and other receivables		559,521	636,021
Investments	6	9,693,012	10,329,955
		90,876,266	92,269,250
Current assets			
Inventories		3,263,429	3,516,702
Trade receivables		1,302,023	1,963,176
Prepayments and other receivables		2,355,054	1,765,437
Cash, bank balances and short-term deposits		14,101,454	13,347,420
		21,021,960	20,592,735
TOTAL ASSETS		111,898,226	112,861,985
EQUITY AND LIABILITIES			
Equity			
Share capital	7	22,599,487	22,599,487
Treasury shares	7	(112,916)	-
Share premium		17,514,442	17,514,442
Reserves		20,749,818	21,293,184
Retained earnings		45,056,135	44,125,286
Total equity		105,806,966	105,532,399
Non-current liability			
Employees' end of service benefits		910,202	955,522
Current liabilities			
Trade payables		1,610,968	1,926,746
Accrued expenses and other liabilities		3,570,090	4,447,318
		5,181,058	6,374,064
Total liabilities		6,091,260	7,329,586
TOTAL EQUITY AND LIABILITIES		111,898,226	112,861,985


Fawzi Ahmad Kanoo
Chairman


Ahmed Janahi
Chief Executive Officer


Hala Farouk Almoayyed
Vice Chairperson


Mohamed Al Gharbi
Chief Financial Officer

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

Gulf Hotels Group B.S.C.

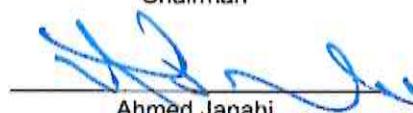
INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three and nine-month periods ended 30 September 2025 (Reviewed)

	Note	Three-month period ended		Nine-month period ended	
		30 September		30 September	
		2025 BD	2024 BD	2025 BD	2024 BD
Revenue	8	7,699,251	7,757,373	26,387,805	26,125,150
Share of results of associates and a joint venture	5	440,436	426,986	1,274,327	1,290,521
Dividend income		198,318	103,159	823,801	742,487
Interest income		135,252	116,841	380,208	310,278
Rental and other income		706,725	556,934	2,147,497	1,691,181
TOTAL INCOME		9,179,982	8,961,293	31,013,638	30,159,617
Staff costs		(2,554,726)	(2,443,383)	(8,273,170)	(7,528,166)
Food and beverages costs		(2,040,780)	(2,013,333)	(6,236,160)	(6,344,405)
Depreciation		(1,215,210)	(1,408,814)	(3,684,095)	(4,124,279)
Utilities		(595,656)	(605,584)	(1,431,037)	(1,412,321)
Reversal of allowance for expected credit losses		67,199	89,631	43,626	29,062
Other operating expenses		(1,608,398)	(1,504,368)	(4,981,465)	(4,906,755)
TOTAL EXPENSES		(7,947,571)	(7,885,851)	(24,562,301)	(24,286,864)
PROFIT FOR THE PERIOD		1,232,411	1,075,442	6,451,337	5,872,753
BASIC AND DILUTED EARNINGS PER SHARE (FILS)	9	5	5	29	26
OTHER COMPREHENSIVE LOSS					
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>					
- Share of other comprehensive (loss) / income of associates and a joint venture	5	(21,431)	(44,681)	3,432	(32,572)
- Net changes in fair value of investments at fair value through other comprehensive loss	6	(282,099)	(800,862)	(425,626)	(1,058,407)
		(303,530)	(845,543)	(422,194)	(1,090,979)
<i>Item to be reclassified to profit or loss in subsequent periods:</i>					
- Foreign exchange differences on translation of foreign operation		6,552	(94,226)	8,212	(130,551)
Other comprehensive loss for the period		(296,978)	(939,769)	(413,982)	(1,221,530)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		935,433	135,673	6,037,355	4,651,223

 Fawzi Ahmad Kanoo

Chairman

 Ahmed Janahi

Chief Executive Officer

 Hala Farouk Almoayyed

Vice Chairperson

 Mohamed Al Gharbi

Chief Financial Officer

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

Gulf Hotels Group B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine-month period ended 30 September 2025 (Reviewed)

		Nine-month period ended	
	Note	30 September 2025	30 September 2024
		BD	BD
OPERATING ACTIVITIES			
Profit for the period		6,451,337	5,872,753
Adjustments to reconcile profit to net cash flows:			
Depreciation		3,684,095	4,124,279
Share of results of associates and a	5	(1,274,327)	(1,290,521)
Dividend income		(823,801)	(742,487)
Interest income		(380,208)	(310,278)
Reversal of allowance for expected credit losses		(43,626)	(29,062)
Provision for employees' end of service benefits		198,370	150,948
Operating profit before working capital changes		7,811,840	7,775,632
Working capital changes:			
Inventories		253,273	(523,642)
Trade receivables		704,779	(286,226)
Prepayments and other receivables		(487,375)	(857,445)
Trade payables		(315,778)	115,981
Accrued expenses and other liabilities		(579,049)	1,180,443
Cash generated from operations		7,387,690	7,404,743
Directors' remuneration paid		(297,000)	(201,000)
Employees' end of service benefits paid		(243,690)	(246,192)
Net cash flows from operating activities		6,847,000	6,957,551
INVESTING ACTIVITIES			
Purchase of property and equipment		(3,426,795)	(2,308,905)
Proceeds from disposals of investments at fair value			
through other comprehensive income	6	211,317	-
Interest received		354,466	389,827
Dividend received from an associate	5	1,700,000	1,900,000
Dividends received		823,801	742,487
Net cash flows (used in) from investing activities		(337,211)	723,409
FINANCING ACTIVITIES			
Dividend paid	10	(5,651,051)	(5,649,872)
Purchase of treasury shares	7	(112,916)	-
Cash flows used in financing activities		(5,763,967)	(5,649,872)
NET CHANGE IN CASH AND CASH EQUIVALENTS			
		745,822	2,031,088
Net foreign exchange difference		8,212	(130,551)
Cash and cash equivalents at 1 January		13,347,420	8,538,847
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER		14,101,454	10,439,384

Non-cash items:

Non-cash items excluded from the above interim consolidated statement of cash flows were, as follows:

- i) Interest receivable amounting to BD 137,248 (30 September 2024: BD 26,444) has been excluded from movement in prepayments and other receivables.
- ii) Dividend payable amounting to BD 68,881 (30 September 2024: BD 69,920) has been excluded from movement in accrued expenses and other liabilities.

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

Gulf Hotels Group B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine-month period ended 30 September 2025 (Reviewed)

	Reserves								Total reserves BD	Retained earnings BD	Total equity BD
	Share capital BD	Share premium BD	Statutory reserve BD	General reserve BD	Charity reserve BD	Foreign currency reserve BD	Fair value reserve BD				
Balance at 1 January 2024	22,599,487	17,514,442	11,299,744	5,000,000	1,593,131	239,942	5,215,899	23,348,716	40,890,456	104,353,101	
Profit for the period	-	-	-	-	-	-	-	-	5,872,753	5,872,753	
Other comprehensive loss for the period	-	-	-	-	-	(130,551)	(1,090,979)	(1,221,530)	-	(1,221,530)	
Total comprehensive (loss) / income for the period	-	-	-	-	-	(130,551)	(1,090,979)	(1,221,530)	5,872,753	4,651,223	
Utilised during the period	-	-	-	-	(19,646)	-	-	(19,646)	19,646	-	
Dividend (note 10)	-	-	-	-	-	-	-	-	(5,649,872)	(5,649,872)	
Balance at 30 September 2024	22,599,487	17,514,442	11,299,744	5,000,000	1,573,485	109,391	4,124,920	22,107,540	41,132,983	103,354,452	
Reserves											
	Share capital BD	Treasury shares BD	Share premium BD	Statutory reserve BD	General reserve BD	Charity reserve BD	Foreign currency reserve BD	Fair value reserve BD	Total reserves BD	Retained earnings BD	Total equity BD
	22,599,487	-	17,514,442	11,324,744	5,000,000	1,539,945	83,853	3,344,642	21,293,184	44,125,286	105,532,399
Profit for the period	-	-	-	-	-	-	-	-	-	6,451,337	6,451,337
Other comprehensive income / (loss) for the period	-	-	-	-	-	-	8,212	(422,194)	(413,982)	-	(413,982)
Total comprehensive income / (loss) for the period	-	-	-	-	-	-	8,212	(422,194)	(413,982)	6,451,337	6,037,355
Purchase of treasury shares (note 7)	-	(112,916)	-	-	-	-	-	-	-	-	(112,916)
Transfer of fair value reserve of investments at fair value through other comprehensive income	-	-	-	-	-	-	-	(82,020)	(82,020)	82,020	-
Utilised during the period	-	-	-	-	-	(47,364)	-	-	(47,364)	47,364	-
Dividend (note 10)	-	-	-	-	-	-	-	-	(5,649,872)	(5,649,872)	
Balance at 30 September 2025	22,599,487	(112,916)	17,514,442	11,324,744	5,000,000	1,492,581	92,065	2,840,428	20,749,818	45,056,135	105,806,966

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

Gulf Hotels Group B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2025 (Reviewed)

1 ACTIVITIES

Gulf Hotels Group B.S.C. (the "Company") is a public joint stock company incorporated in the Kingdom of Bahrain and registered with the Ministry of Industry and Commerce under commercial registration (CR) number 950 and listed on Bahrain Bourse. The postal address of the Company's registered Head Office is at Office 1001, Building 15, Road 3801, Block 338, Manama, Kingdom of Bahrain. The Group is engaged in the business providing hotel services, import and sale of food and beverages and investing activities.

This interim condensed consolidated financial information comprise the results of the Company and its subsidiaries (collectively, the "Group") for the three and nine-month periods ended 30 September 2025.

The Group owns and operates the Gulf Hotel, Gulf Hotel Al Dana Resort and Crown plaza Hotel in the Kingdom of Bahrain and Gulf Court Hotel Business Bay in Dubai, United Arab Emirate. Additionally, the Group oversees the retail operations of Gulf Brand International in the Kingdom of Bahrain, GHG Colombo in Sri Lanka. Moreover, the Group manages multiple restaurants owned by GHG Hospitality W.L.L. and provides the laundry services through Gulf Hotel Laundry W.L.L. The Group also provides management services to The Asdal Gulf-inn Seef, in the Kingdom of Bahrain. The Group is also a shareholder and operator of Bahrain Airport Hotel Company and Ocean Paradise Resort, Zanzibar, Republic of Tanzania.

The Group comprises the Company and the following subsidiaries, associates and a joint venture:

Name	Ownership interest		Relationship	Country of incorporation	Principal activities
	30	31			
	September 2025	December 2024			
Gulf Hotel Laundry Services W.L.L.	100%	100%	Subsidiary	Kingdom of Bahrain	Provision of laundry services.
Bahrain Tourism Company - Crowne Plaza Bahrain W.L.L.	100%	100%	Subsidiary	Kingdom of Bahrain	Owning and operating a hotel and investing activities
Novotel Bahrain Al Dana Resort W.L.L (formerly Gulf Hotel Al Dana Resort W.L.L.)	100%	100%	Subsidiary	Kingdom of Bahrain	Hotel operations
GHG Hospitality W.L.L.	100%	100%	Subsidiary	Kingdom of Bahrain	Operating restaurants
Bahrain Family Leisure Company B.S.C.	28.06%	28.06%	Associate	Kingdom of Bahrain	Operating restaurants, provision of family entertainment.
African and Eastern (Bahrain) W.L.L.	33.33%	33.33%	Associate	Kingdom of Bahrain	Importing and selling alcohol beverage
Bahrain Airport Hotel Company W.L.L.	51%	51%	Joint venture	Kingdom of Bahrain	Owning and operating a hotel
Gulf Court Hotel Business Bay L.L.C.	100%	100%	Subsidiary	United Arab Emirates	Hotel operations
GHG Investments L.L.C.	100%	100%	Subsidiary	United Arab Emirates	Investment and other activities

Gulf Hotels Group B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2025 (Reviewed)

1 ACTIVITIES (continued)

Name	Ownership interest		Relationship	Country of incorporation	Principal activities
	30	31			
	September 2025	December 2024			
GH Gulf Investment Limited	100%	100%	Subsidiary	United Arab Emirates	Investment and other activities
GHG Colombo (Private) Limited	100%	100%	Subsidiary	Sri Lanka	Retail operations

The interim condensed consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 12 November 2025.

2 MATERIAL ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial statements for the three and nine-month periods ended 30 September 2025 have been prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting".

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024. In addition, results for the three and nine-month periods ended 30 September 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

New and amended standards adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of new and amended standards as of 1 January 2025. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

One amendment applies for the first time in 2025, but does not have an impact on the interim condensed consolidated financial statements of the Group.

- *Lack of exchangeability - Amendments to IAS 21: The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.*

The amendments are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information. The amendments did not have a material impact on the Group's interim condensed consolidated financial statements.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The significant accounting judgements and estimates used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024.

Gulf Hotels Group B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2025 (Reviewed)

4 SEASONALITY OF RESULTS

Due to the nature of Hotel room operations, October to April is usually a busy season. In addition, the dividend income for the nine-month period ended 30 September 2025 amounting to BD 823,801 (30 September 2024: BD 742,487) is also seasonal in nature.

Accordingly, the interim condensed consolidated financial results may not represent a proportionate share of the annual results.

5 INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE

30 September 2025 (Reviewed)

	<i>African and Eastern (Bahrain) W.L.L.</i> <i>BD</i>	<i>Bahrain Family Leisure Company B.S.C.</i> <i>BD</i>	<i>Bahrain Airport Hotel Company W.L.L.</i> <i>BD</i>	<i>Total</i> <i>BD</i>
Balance at 1 January 2025	6,499,872	309,415	188,943	6,998,230
Share of profit / (loss) for the period	1,339,720	(11,218)	(54,175)	1,274,327
Share of other comprehensive income for the period	3,432	-	-	3,432
Dividend received	(1,700,000)	-	-	(1,700,000)
Balance at 30 September 2025	6,143,024	298,197	134,768	6,575,989

31 December 2024 (Audited)

Balance at 1 January 2024	6,647,011	385,346	232,492	7,264,849
Share of profit / (loss) for the year	1,816,800	(75,931)	(16,168)	1,724,701
Share of other comprehensive loss for the year	(63,939)	-	-	(63,939)
Other equity movement	-	-	(27,381)	(27,381)
Dividend received	(1,900,000)	-	-	(1,900,000)
Balance at 31 December 2024	6,499,872	309,415	188,943	6,998,230

The Group's share in associates' and the joint venture's commitments for capital expenditure was BD 85,389 as of 30 September 2025 (31 December 2024 (audited): BD 85,389) arising from the construction of mega retail store in Mina Salman, Kingdom of Bahrain, which is expected to be completed by the end of financial year 2025.

The Group's share in the associates' and joint venture's contingent liabilities as of 30 September 2025, arising in the ordinary course of business which includes an outstanding letter of guarantee and tender cheques amounting to BD 1,250 (31 December 2024 (audited): BD 1,250).

The share of results of the associates and a joint venture is recognised based on the approved management accounts for the nine-month period ended 30 September 2025 and audited accounts for year ended 31 December 2024.

Gulf Hotels Group B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2025 (Reviewed)

6 INVESTMENTS

	30 September 2025 (Reviewed) BD	31 December 2024 (Audited) BD
<i>At fair value through other comprehensive income:</i>		
- Quoted equity investments	7,514,669	8,151,612
- Unquoted equity investments	2,178,343	2,178,343
	<hr/> 9,693,012	<hr/> 10,329,955

Reconciliation of fair value measurement of quoted investments classified as equity instruments designated at fair value through other comprehensive income are as follows:

	30 September 2025 (Reviewed) BD	31 December 2024 (Audited) BD
At beginning of the period / year	8,151,612	9,761,493
Disposals during the period / year	(211,317)	-
Net changes in fair values	(425,626)	(1,609,881)
At the end of the period / year	<hr/> 7,514,669	<hr/> 8,151,612

7 SHARE CAPITAL

a) Share capital

	30 September 2025 (Reviewed) BD	31 December 2024 (Audited) BD
Authorised:		
300,000,000 (31 December 2024: 300,000,000) shares of 100 fils each	<hr/> 30,000,000	<hr/> 30,000,000
Issued, subscribed and fully paid-up:		
225,994,863 (31 December 2024: 225,994,863) shares of 100 fils each	<hr/> 22,599,487	<hr/> 22,599,487

b) Treasury Shares

During the period ended 30 September 2025, the Company repurchased 254,365 shares for cash consideration of BD 112,916, representing 0.113% of the issued share capital and these shares are held by the Company as of 30 September 2025 (31 December 2024 (audited): nil).

Gulf Hotels Group B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2025 (Reviewed)

8 REVENUE

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
	<i>2025</i> (Reviewed) BD	<i>2024</i> (Reviewed) BD	<i>2025</i> (Reviewed) BD	<i>2024</i> (Reviewed) BD
Food and beverages	5,198,515	5,201,936	16,818,857	16,700,954
Hotel rooms	2,194,973	2,256,570	8,613,051	8,520,570
Others *	305,763	298,867	955,897	903,626
	7,699,251	7,757,373	26,387,805	26,125,150

* Includes revenue from ancillary services of hotel operations such as spa and wellness facilities, laundry and dry cleaning and parking services etc.

	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
	<i>2025</i> (Reviewed) BD	<i>2024</i> (Reviewed) BD	<i>2025</i> (Reviewed) BD	<i>2024</i> (Reviewed) BD
Geographical markets				
Kingdom of Bahrain	7,264,363	7,315,631	24,047,472	23,860,660
United Arab Emirates	434,888	414,439	2,298,228	2,126,361
Sri Lanka	-	27,303	42,105	138,129
	7,699,251	7,757,373	26,387,805	26,125,150
Timing of revenue recognition				
Goods and services transferred at a point in time	5,504,278	5,500,803	17,774,754	17,604,580
Goods and services transferred over time	2,194,973	2,256,570	8,613,051	8,520,570
	7,699,251	7,757,373	26,387,805	26,125,150

9 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit or loss for the period attributed to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the period, excluding the weighted average number of shares repurchased by the Company during the period and held as treasury shares, is as follows:

	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
	<i>2025</i> (Reviewed) BD	<i>2024</i> (Reviewed) BD	<i>2025</i> (Reviewed) BD	<i>2024</i> (Reviewed) BD
Profit for the period (BD)	1,232,411	1,075,442	6,451,337	5,872,753
Weighted average number of shares, net of treasury shares	225,711,136	225,994,863	225,711,136	225,994,863
Basic and diluted earnings per share (fils)	5	5	29	26

Gulf Hotels Group B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2025 (Reviewed)

9 EARNINGS PER SHARE (continued)

Basic and diluted earnings per share are the same since the Group has not issued any instruments that would have a dilutive effect.

10 DIVIDEND

At the annual general meeting of the shareholders held on 24 March 2025, a cash dividend of 25 fils per share totaling BD 5,649,872 for the year ended 31 December 2024 was declared, which has been fully paid as of 30 September 2025 (30 September 2024: at the annual general meeting of the shareholders held on 25 March 2024, a cash dividend of 25 fils per share totaling BD 5,649,872 for the year ended 31 December 2023 was declared, which has been fully paid as of 30 September 2024).

11 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent shareholders, directors, key management personnel of the Group and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management and Board of Directors.

Transactions with related parties included in the interim consolidated statement of profit and loss and other comprehensive income are as follows:

	Nine-month period ended	
	30 September	30 September
	2025	2024
	(Reviewed)	(Reviewed)
	BD	BD
Major shareholders and their affiliates		
<i>Revenue and other income</i>		
Revenue	74,496	154,996
Management fee income	155,483	174,093
	<hr/>	<hr/>
	229,979	329,089
<i>Expenses</i>		
Purchases	1,312,749	725,825
	<hr/>	<hr/>
Associates and a joint venture		
<i>Revenue and other income</i>		
Revenue	153,796	70,216
Management fee income	18,723	21,051
Share of profit from associates	1,274,327	1,290,521
Share of other comprehensive income / (loss) from associates	3,432	(32,572)
Dividend received	1,700,000	1,900,000
	<hr/>	<hr/>
<i>Expenses</i>		
Purchases	324,887	387,625
	<hr/>	<hr/>
Directors and related affiliates		
<i>Revenue and other income</i>		
Revenue	20,769	25,062
	<hr/>	<hr/>
<i>Expenses</i>		
Purchases	1,522	-
	<hr/>	<hr/>

Gulf Hotels Group B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2025 (Reviewed)

11 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Balances with related parties included in the interim consolidated statement of financial position are as follows:

	Trade receivables BD	Other receivables BD	Trade payables BD
As at 30 September 2025 (Reviewed)			
Major shareholders and their affiliates	34,703	-	1,349,300
Associates and joint venture	35,000	651,333	11,744
Directors and related affiliates	960	-	631
	70,663	651,333	1,361,675
As at 31 December 2024 (Audited)			
Major shareholders and their affiliates	40,598	-	95,613
Associates and joint venture	63,034	707,771	82,497
Directors and related affiliates	5,837	-	-
	109,469	707,771	178,110

Terms and conditions

Outstanding balances at the period end arise in the normal course of business and are interest free, unsecured and payable on demand.

Compensation of key management personnel

The remuneration of directors and other members of key management during the nine-month period ended was as follows:

	Nine-month period ended	
	30 September 2025 (Reviewed) BD	30 September 2024 (Reviewed) BD
Salaries and short-term employee benefits	471,332	340,852
Post employment benefits	10,940	9,670
Directors sitting fees	324,741	278,315
	807,013	628,837

12 COMMITMENTS AND CONTINGENCIES

a) Commitments

Capital expenditure

As at 30 September 2025, the Group has capital commitments amounted to BD 1,296,685 (31 December 2024 (audited): BD 3,144,822) arising from multiple contracts. The commitments are expected to be settled within 2 years from the reporting date.

Gulf Hotels Group B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2025 (Reviewed)

12 COMMITMENTS AND CONTINGENCIES (continued)

b) Contingencies

At 30 September 2025, the Group had contingent liabilities comprising bank guarantees amounting to BD 203,331 (31 December 2024 (audited): BD 190,264) and letter of credit amounting to BD 201,606 (31 December 2024 (audited): nil). No material liabilities are expected to arise from these contingent exposures.

As of 30 September 2025 and as of 31 December 2024, the Group was a party to a small number of legal cases and claims filed against the Group. The Board of Directors are confident that no material liabilities will arise from these cases/claims.

13 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

Fair value of financial instruments

The fair value of financial instruments are estimated based on the following methods and assumptions:

- a) Cash and bank balances, trade receivables, a portion of prepayments and other receivables, trade payables and portion of accrued expenses and other liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments;
- b) The fair values of the quoted investments are determined by reference to published price quotations in an active market and the fair values of unquoted investments have been estimated using indicative bids provided by the fund administrators, using of recent arm's length market transactions, current fair value of another similar instrument or other appropriate valuation techniques.

The fair values of financial assets and liabilities are not materially different from their carrying values as at 30 September 2025 and as at 31 December 2024.

Fair value of non-financial assets and liabilities

The Group does not have any non-financial assets or liabilities which have been remeasured at fair value as at 30 September 2025 and as at 31 December 2024.

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the interim condensed consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Gulf Hotels Group B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2025 (Reviewed)

13 FAIR VALUE MEASUREMENT (continued)

Fair value hierarchy (continued)

There were no changes in the Group's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the period.

The following table provides fair value hierarchy of the Group's assets and liabilities:

		30 September 2025 (Reviewed)				Total BD	
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	Level 1		
Date of valuation		BD	BD	BD	BD		
Assets measured at fair value							
<i>Investments at fair value through other comprehensive income (note 6):</i>							
- Quoted equity investments	30 Sep 2025	7,514,669	-	-	-	7,514,669	
- Unquoted equity investments	30 Sep 2025	-	-	2,178,343	2,178,343		
		7,514,669	-	2,178,343	9,693,012		
		31 December 2024 (Audited)				Total BD	
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	Level 1		
Date of valuation		BD	BD	BD	BD		
Assets measured at fair value							
<i>Investments at fair value through other comprehensive income (note 6):</i>							
- Quoted equity investments	31 Dec 2024	8,151,612	-	-	-	8,151,612	
- Unquoted equity investments	31 Dec 2024	-	-	2,178,343	2,178,343		
		8,151,612	-	2,178,343	10,329,955		

Liabilities measured at fair value:

There were no liabilities measured at fair value as of 30 September 2025 and as of 31 December 2024.

During the nine-month period ended 30 September 2025 and year ended 31 December 2024, there were no transfers between Level 1 and Level 2 fair value measurements, and there are no transfers into or out of Level 3 fair value measurements.

Reconciliation of fair value measurement of Level 3 financial assets

Level 3 equity investments have been estimated using fair value provided by the investment managers or other appropriate valuation techniques including fair values determined based on unobservable inputs using market multiples or other appropriate valuation methodologies.

Gulf Hotels Group B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2025 (Reviewed)

13 FAIR VALUE MEASUREMENT (continued)

Liabilities measured at fair value: (continued)

Reconciliation of fair value measurement of Level 3 financial assets (continued)

Reconciliation of fair value measurement of unquoted investments classified as equity instruments designated at fair value through OCI (Level 3), were as follows:

	30 September 2025 (Reviewed) BD	31 December 2024 (Audited) BD
At beginning of the period / year	2,178,343	2,348,399
Net changes in fair values	-	(170,056)
At the end of the period / year	<u><u>2,178,343</u></u>	<u><u>2,178,343</u></u>

14 SEGMENTS REPORTING

For management purposes, the Group is organized into business units based on their products and services and has three reportable operating segments, as follows:

Hotel room operations	Hotel room and rental and management of executive apartments and offices and provisioning of automatic laundry services.
Food and beverages	Retail sale of food and beverages and convention operations.
Investments and other activities	Investment activities of the Group.

The operations of Gulf Brands International and the retail sales of food and beverages of the Gulf Hotel Group and the convention operations of the Gulf Convention Centre have been aggregated for segmental reporting in food and beverage.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained later in a table, is measured differently from operating profit or loss in the interim condensed consolidated financial statements.

Transfer prices between operating segments are set in a manner similar to transactions with third parties.

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers.

Segment assets include all operating assets used by a segment and consist primarily of property and equipment, inventories and trade receivable. Whilst the majority of the assets can be directly attributed to individual business segments, the carrying amounts of certain assets used jointly by two or more segments are allocated to the segments on a reasonable basis.

Segment liabilities include all operating liabilities and consist primarily of trade and other payables. Whilst the majority of the liabilities can be directly attributed to individual business segments, the carrying amounts of certain liabilities used jointly by two or more segments is allocated to the segments on a reasonable basis.

Gulf Hotels Group B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2025 (Reviewed)

14 SEGMENTS REPORTING (continued)

Inter-segment revenues, transactions, assets and liabilities are eliminated upon consolidation and reflected in the adjustment and eliminations column.

Revenue for the three-month period ended 30 September 2025 in the United Arab Emirates and Sri Lanka amounted to BD 434,888 (three-month period ended 30 September 2024: BD 441,742) and loss for the three-month period ended 30 September 2025 amounted to BD 584,036 (three-month period ended 30 September 2024: loss amounted to BD 691,660). The remaining revenue and profit for the three-month period then ended is generated from the primary geographical segment in the Kingdom of Bahrain.

Revenue for the nine-month period ended 30 September 2025 in the United Arab Emirates and Sri Lanka amounted to BD 2,340,333 (nine-month period ended 30 September 2024: BD 2,264,490) and loss for the nine-month period ended 30 September 2025 amounted to BD 955,333 (nine-month period ended 30 September 2024: loss amounted to BD 1,183,966). The remaining revenue and profit for the nine-month period then ended is generated from the primary geographical segment in the Kingdom of Bahrain.

At 30 September 2025, total assets in the United Arab Emirates and Sri Lanka amounted to BD 24,665,744 (31 December 2024 (audited): BD 25,556,314) and total liabilities amounted to BD 871,520 (31 December 2024 (audited): BD 846,436). All remaining assets and liabilities arise from the primary geographical segment in the Kingdom of Bahrain.

14 SEGMENTS REPORTING (continued)

The following table presents the details of segmental operating results for the three-month period ended 30 September 2025 and 30 September 2024:

Three-month period ended 30 September (Reviewed)	Hotel room operations		Food and beverages		Investment and other activities		Adjustments and eliminations		Consolidated	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD
Revenue	2,215,538	2,219,804	5,269,105	5,315,739	377,278	404,904	(162,670)	(183,074)	7,699,251	7,757,373
Share of results of associates and a joint venture	-	-	-	-	440,436	426,986	-	-	440,436	426,986
Dividend income	-	-	-	-	198,318	103,159	-	-	198,318	103,159
Interest income	-	-	-	-	135,252	116,841	-	-	135,252	116,841
Rental and other income	-	-	-	-	706,725	556,934	-	-	706,725	556,934
Total income	2,215,538	2,219,804	5,269,105	5,315,739	1,858,009	1,608,824	(162,670)	(183,074)	9,179,982	8,961,293
Staff costs	(572,628)	(612,592)	(1,459,024)	(1,382,090)	(523,074)	(448,701)	-	-	(2,554,726)	(2,443,383)
Food and beverages costs	-	-	(2,111,370)	(2,127,136)	-	-	70,590	113,803	(2,040,780)	(2,013,333)
Depreciation	(800,349)	(838,932)	(329,988)	(346,413)	(84,873)	(223,469)	-	-	(1,215,210)	(1,408,814)
Utilities	(373,770)	(393,417)	(167,229)	(158,798)	(54,657)	(53,369)	-	-	(595,656)	(605,584)
Reversal of allowance for expected credit losses	30,401	26,469	27,129	58,440	9,669	4,722	-	-	67,199	89,631
Other operating expenses	(722,679)	(658,565)	(611,942)	(547,729)	(365,857)	(367,345)	92,080	69,271	(1,608,398)	(1,504,368)
Total expenses	(2,439,025)	(2,477,037)	(4,652,424)	(4,503,726)	(1,018,792)	(1,088,162)	162,670	183,074	(7,947,571)	(7,885,851)
Segment (loss) / profit for the period	(223,487)	(257,233)	616,681	812,013	839,217	520,662	-	-	1,232,411	1,075,442

Gulf Hotels Group B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2025 (Reviewed)

14 SEGMENTS REPORTING (continued)

The following table presents the details of segmental operating results for the nine-month period ended 30 September 2025 and 30 September 2024:

Nine-month period ended 30 September (Reviewed)	Hotel room operations		Food and beverages		Investment and other activities		Adjustments and eliminations		Consolidated	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD
Revenue	8,676,767	8,586,104	17,062,985	16,979,810	1,175,698	1,129,696	(527,645)	(570,460)	26,387,805	26,125,150
Share of results of associates and a joint venture	-	-	-	-	1,274,327	1,290,521	-	-	1,274,327	1,290,521
Dividend income	-	-	-	-	823,801	742,487	-	-	823,801	742,487
Interest income	-	-	-	-	380,208	310,278	-	-	380,208	310,278
Rental and other income	-	-	-	-	2,147,497	1,691,181	-	-	2,147,497	1,691,181
Total income	8,676,767	8,586,104	17,062,985	16,979,810	5,801,531	5,164,163	(527,645)	(570,460)	31,013,638	30,159,617
Staff costs	(1,908,694)	(1,821,614)	(4,783,218)	(4,434,819)	(1,581,258)	(1,271,733)	-	-	(8,273,170)	(7,528,166)
Food and beverages costs	-	-	(6,480,288)	(6,623,261)	-	-	244,128	278,856	(6,236,160)	(6,344,405)
Depreciation	(2,430,958)	(2,644,735)	(963,246)	(1,036,171)	(289,891)	(443,373)	-	-	(3,684,095)	(4,124,279)
Utilities	(909,773)	(900,625)	(384,627)	(368,876)	(136,637)	(142,820)	-	-	(1,431,037)	(1,412,321)
Reversal of allowance (allowance) for expected credit losses	12,592	24,312	23,315	56,936	7,719	(52,186)	-	-	43,626	29,062
Other operating expenses	(2,422,509)	(2,428,967)	(1,812,998)	(1,746,440)	(1,029,475)	(1,022,952)	283,517	291,604	(4,981,465)	(4,906,755)
Total expenses	(7,659,342)	(7,771,629)	(14,401,062)	(14,152,631)	(3,029,542)	(2,933,064)	527,645	570,460	(24,562,301)	(24,286,864)
Segment profit for the period	1,017,425	814,475	2,661,923	2,827,179	2,771,989	2,231,099	-	-	6,451,337	5,872,753

14 SEGMENTS REPORTING (continued)

The following table presents the details of segmental assets and liabilities as at 30 September 2025 and as at 31 December 2024:

	<i>Hotel room operations</i>		<i>Food and beverages</i>		<i>Investment and other activities</i>		<i>Adjustments and eliminations</i>		<i>Consolidated</i>	
	<i>30 September 2025</i>	<i>31 December 2024</i>	<i>30 September 2025</i>	<i>31 December 2024</i>	<i>30 September 2025</i>	<i>31 December 2024</i>	<i>30 September 2025</i>	<i>31 December 2024</i>	<i>30 September 2025</i>	<i>31 December 2024</i>
	<i>(Reviewed)</i>	<i>(Audited)</i>	<i>(Reviewed)</i>	<i>(Audited)</i>	<i>(Reviewed)</i>	<i>(Audited)</i>	<i>(Reviewed)</i>	<i>(Audited)</i>	<i>(Reviewed)</i>	<i>(Audited)</i>
	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>
Total assets	54,341,090	58,319,722	32,782,165	29,806,316	24,774,971	24,735,947	-	-	111,898,226	112,861,985
Total liabilities	2,984,589	3,652,275	2,529,348	2,860,005	577,323	817,306	-	-	6,091,260	7,329,586
Capital expenditure	2,170,257	3,191,818	1,162,664	251,219	93,874	111,156	-	-	3,426,795	3,554,193

** During the period, management has reassessed its measurement basis for allocating expenses across segments and reclassify the revenue, expenses, and assets and liabilities. Such reclassification does not impact the previously reported Group profit for the three-month and nine-month periods ended 30 September 2024 and equity for the year ended 31 December 2024.*