Press Release March 23rd, 2022

<u>Gulf Hotels Group approves BD 4,519,897 cash dividends for 2021</u>

Manama:- Gulf Hotels Group's 52nd Annual General Meeting was held on Wednesday 23rd March 2022 at 10:00 am in the Al Dana Hall at the Gulf Hotel Bahrain, under the supervision of Bahrain Clear representatives.
The meeting was presided over by the Chairman, Mr. Farouk Yousuf Almoayyed and attended by the Board Members and representatives from the Ministry of Commerce, Central Bank of Bahrain, Bahrain Bourse, and Auditors KPMG.

The Chairman announced that for the year ended 31st December 2021, GHG achieved a total Gross Operating Revenue of BD 22.918 Million compared to BD 19.735 Million in 2020, with an increase of BD 3.182 Million or 16.13%. The Group generated a Net Profit of BD 3.396 Million in comparison to a Net Loss of BD 8.128 Million in 2020, recording an increase of BD 11.524 million.

Factors contributing to an increase in Net Profit against 2020 included an increase in Management fees of BD 121,884, an increase in profit from associates of BD 315,239, a property impairment reversal of BD 1,731,989 in 2021 compared to an impairment of BD 5,064,680 last year, a decrease in doubtful debts provision from BD 608,895 in 2020 to BD 37,135 in 2021 and a decrease in depreciation vs. last year of BD 1,063,779. These were offset by a decrease in Government grants by BD 557,733, a decrease in interest income of BD 56,455 and a decrease in Group dividend income by BD 130,733 vs 2020.

The company's EBIDTA excluding any impairment amounted to BD 7.924 million compared to BD 4.260 million for the same period in last year, with an increase of BD 3.664 or 86%.

The Chairman, Mr. Farouk Almoayyed expressed gratitude for the Government's proactive handling of the COVID pandemic crisis and the efficient vaccination process that is enabling life to return to normal. He stated, "Despite the impact on the Company's financial performance, the Group's priority remains to support the government's fight against Covid-19 and the health and safety of our customers and staff". He further reiterated that "During this year of recovery, the Company’s result has positively progressed, the tremendous efforts of the Board and the Group’s management in reducing costs have boosted the outcome of the increase in revenue, reflected at both EBIDTA and Net Profits”. He further briefed the meeting that Gulf Hotels Group will shortly sign its first management contract in Tbilisi, Georgia to manage a 218 bedroom, 4 star hotel which also features a water park and wellness centre.

Adding to comments of the Chairman, CEO Garfield Jones stated “Whilst the management’s focus in 2021 has been on maintaining a tight control on costs and guiding the business through the pandemic, we have also seen the opening of the new Bahrain Airport Hotel, an 84-unit property within the Bahrain International Airport. Towards the end of the year, the focus shifted on returning our properties to pre-pandemic operations, with the reopening of outlets”.

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About Gulf Hotels Group

Gulf Hotels Group BSC is a public limited liability company quoted on the Bahrain Stock Exchange incorporated in 1967, under the name of Bahrain Hotels Company. The Group is chaired by Mr. Farouk Yousuf Almoayyed and is led by a Board of distinguished, well-established and influential businessmen. The vision of the then Bahrain Hotels Company was to provide a standard of hospitality unrivalled on the Island, which was duly delivered with the opening of Bahrain’s first 5 star property, the Gulf Hotel. 55 years later, this philosophy remains the same although the Gulf Hotel has continually expanding and upgrading to meet the modern day demands.

The Group’s latest joint business venture is Bahrain Airport Hotel, which opened its doors in January 2021 and is located within the Bahrain International Airport. It features 17 spacious and elegantly designed family rooms of 36sqm, 23 luxurious standard rooms of 28sqm, and 17 well-equipped compact rooms of 7sqm in addition to 24 state-of-the-art sleeping pods.