



مجموعة فنادق الخليج
GULF HOTELS
GROUP

2025 Annual Report

Building Momentum for Future Growth

Contents

Corporate Overview

- 02 Overview
- 06 Facts
- 08 Expertise
- 10 Financial key figures
- 12 Chairman report
- 14 Group CEO Statement
- 20 Board of Directors
- 22 Executive Management

Group Portfolio

- 26 Companies and Strategic Ventures
- 30 Hotels & Residences
- 36 Restaurants
- 46 Cafés & Lounges

Corporate Governance

- 51 Board, Board Members and Management
- 53 Committees
- 55 Corporate Governance

Consolidated Financial Statements

- 58 General Information
- 60 Independent Auditor's Report
- 62 Consolidated Statement of Financial Position
- 64 Consolidated Statement of Profit or Loss and Other Comprehensive Income
- 66 Consolidated Statement of Cash Flows
- 68 Consolidated Statement of Changes in Equity
- 69 Notes to the Consolidated Financial Statements



His Majesty
King Hamad bin Isa
Al Khalifa
The King of
the Kingdom of Bahrain



His Royal Highness
Prince Salman bin Hamad
Al Khalifa
The Crown Prince and Prime Minister of
the Kingdom of Bahrain

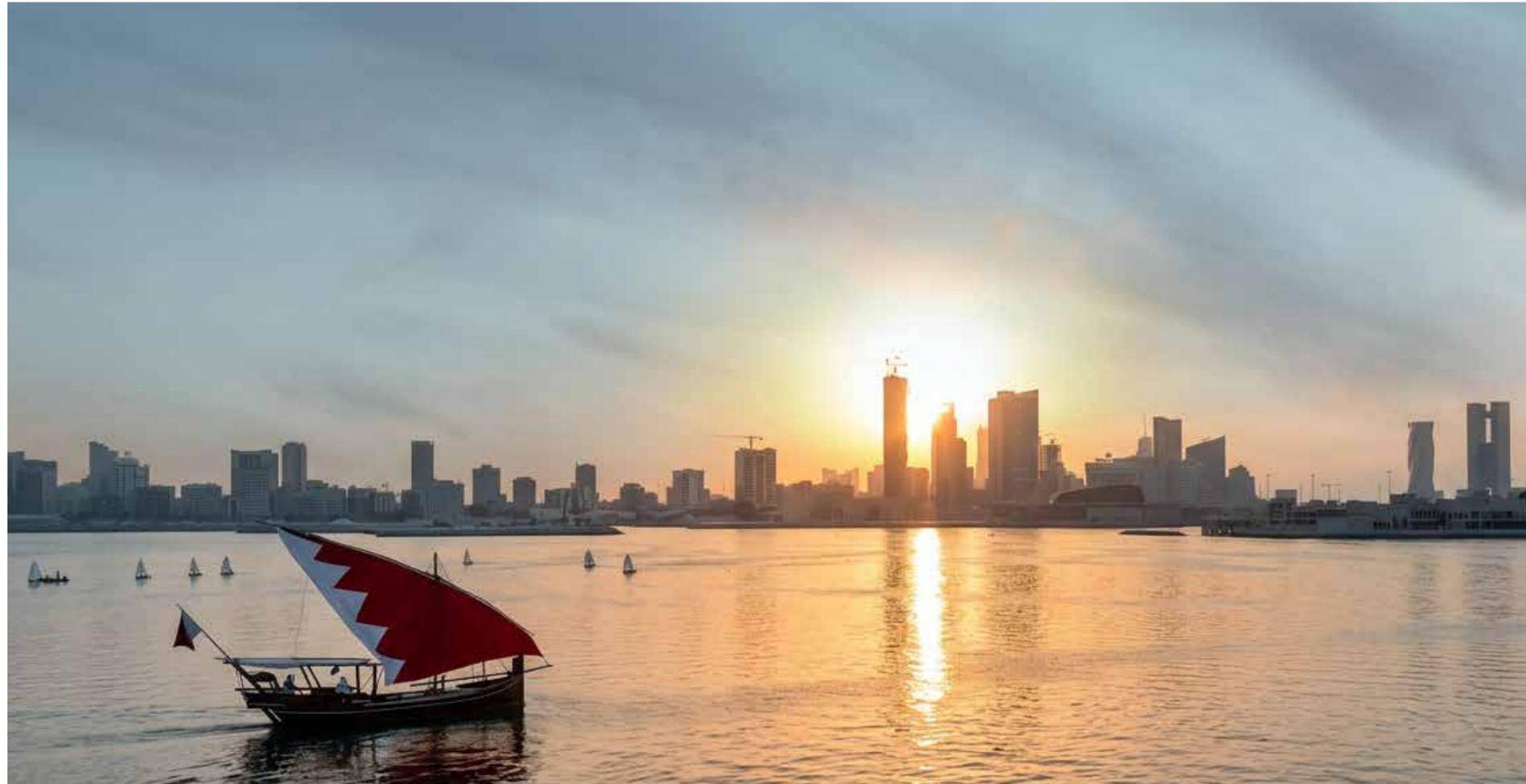
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Overview

Hospitality Leaders Since 1969: A Legacy of Excellence

Founded in 1969, Gulf Hotels Group has built a lasting legacy of hospitality excellence. Driven by innovation and strong leadership, the Group today stands as a trusted regional brand, expanding across the Kingdom, the Gulf and Africa through a diverse and growing portfolio.



1967

Gulf Hotels Group B.S.C. was established in 1967 under the name “Bahrain Hotels Company” as a public limited liability company listed on the Bahrain Bourse. Registered under its current name in 1969, the Group has since evolved into a leading hospitality management company, specializing in the management and operation of hotels and serviced apartments, and delivering refined hospitality experiences across local and regional markets.

Over the years, the Gulf Hotels Group has expanded its portfolio, acquiring, and developing properties across the Kingdom, the Gulf region and Africa.

The Group operates under a robust corporate structure, ensuring effective management and operational efficiency. The company is led by a dedicated executive team, comprising experienced professionals who bring diverse expertise to the table. The executive team is responsible for setting the strategic direction of the group and overseeing its overall operations.

Gulf Hotels Group is committed to continuous growth and innovation. The company has implemented several strategic initiatives to enhance its competitiveness and expand its market reach. These initiatives include:

- Renovation and Expansion

The group regularly invests in renovating and expanding its existing properties to ensure they meet the evolving needs and preferences of guests. By enhancing facilities and adding new offerings, the Gulf Hotels Group stays ahead of the competition and maintains its reputation for excellence.

- Sustainability & Environmental Stewardship

Recognizing the importance of sustainable practices, the Gulf Hotels Group has implemented various environmental initiatives across its properties. These include energy-efficient measures, waste management programs, and community engagement activities aimed at minimizing the group's environmental footprint.

- Technology Integration

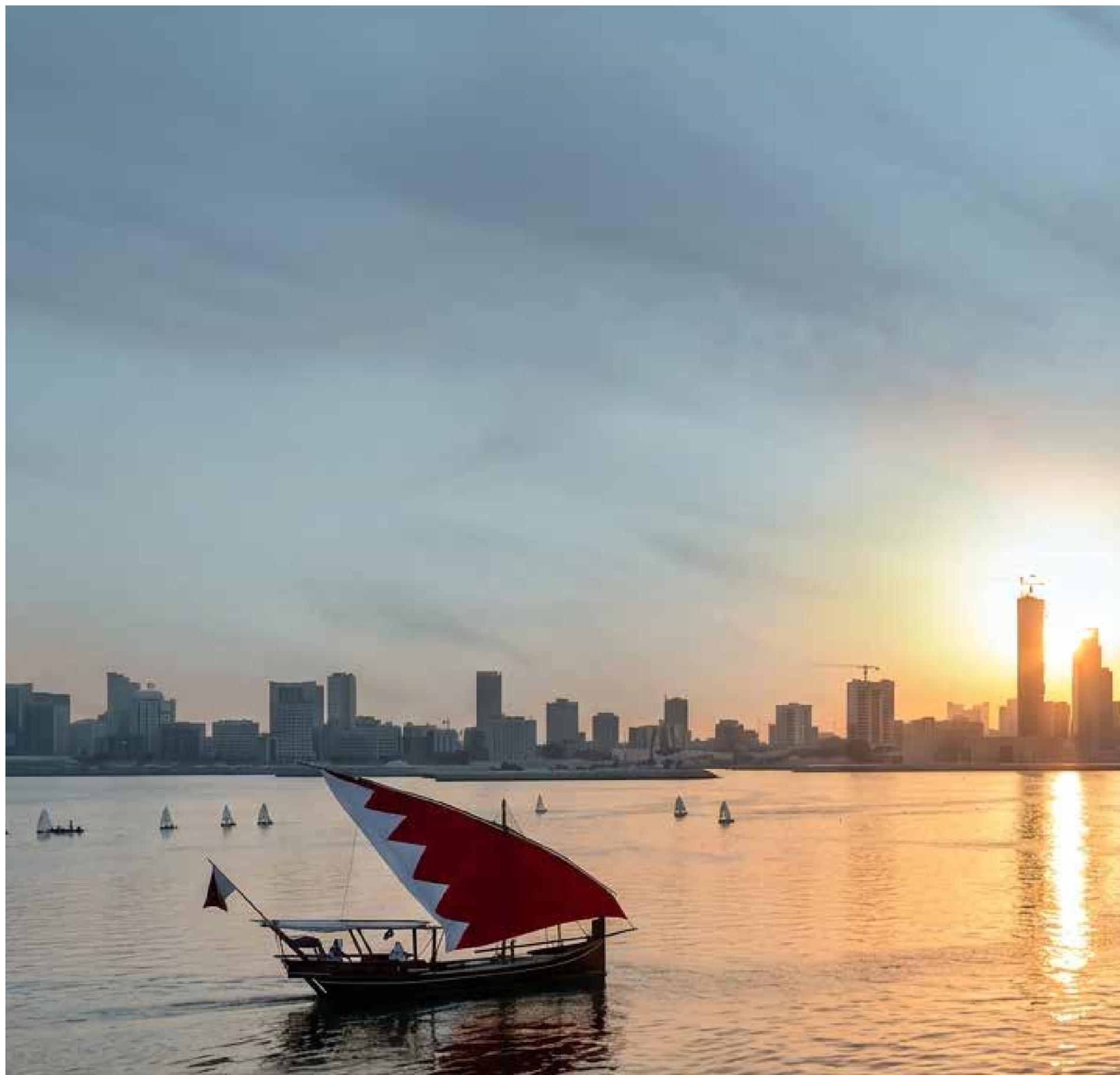
To provide a seamless and convenient guest experience, the Gulf Hotels Group leverages technology in its operations. This includes online booking platforms, mobile check-in and check-out services, and personalized guest communication tools. By embracing digital innovation, the group enhances operational efficiency and guest satisfaction. In addition, the Group utilises technology through its Prestige Club programme, a digital rewards platform designed to enhance member engagement and provide a more seamless and connected experience.

- Employee Development

The Gulf Hotels Group recognizes that its employees play a crucial role in delivering exceptional service. The company invests in training and development programs to nurture talent and empower its workforce. By fostering a culture of continuous learning and career growth, the group ensures a motivated and skilled staff that can exceed guest expectations.

The Gulf Hotels Group is a prominent leader in the local and regional hospitality industry, known for its luxurious properties, exceptional service, and commitment to sustainability. With a strong corporate structure and a focus on strategic initiatives, the group continues to expand its footprint and maintain its position as a preferred choice for travelers in the region.

As the company looks to the future, it remains committed to enhancing its hospitality offerings, embracing innovation, and expanding its portfolio to deliver memorable experiences while setting new benchmarks in the hospitality sector.



Vision

To position Gulf Hotels Group as Bahrain's national hospitality champion, recognised for owning and managing hotels, delivering world-class guest experiences, and building a diversified hospitality platform across hotels, restaurants, and beverage distribution, driving sustainable growth and long-term shareholder value locally and regionally.

Mission

To create long-term value through operational excellence, disciplined capital deployment, and strategic partnerships, while developing high-performing teams that deliver exceptional hospitality experiences, scalable platforms, and consistent returns for stakeholders across our core business pillars.

Facts

Gulf Hotels Group was founded in 1969 and has since grown into a highly respected and well-established hospitality brand. The company's journey began with its first property, Gulf Hotel Bahrain, which quickly gained popularity and set the foundation for future growth. Over the years, the Gulf Hotels Group has expanded its portfolio, acquiring, and developing properties across the Kingdom, the Gulf Region and Africa.

1969

Year of establishment

18

Group portfolio

1,290

Total number of employees

3

Geographical Presence

Expertise

Hospitality brands defined by excellence.



Hospitality Investment & Operations

Hotel Management

Gulf Hotels Group delivers independent, owner-aligned hotel management built on over 50 years of regional hospitality expertise. Our approach combines disciplined governance with operational agility to protect asset value and drive sustainable performance.

Investment Management

Gulf Hotels Group is embarking on a strategic transformation from a traditional owner-operator to a fully integrated investor-operator model.

Hotel Development

We support owners and developers from concept to opening, providing strategic advisory grounded in regional insight and global hospitality standards. We deliver development intelligence that informs optimal component mix, brand positioning, and diversified ancillary revenue streams—ensuring long-term asset relevance and performance.



Food and Beverage

Restaurant Brand Expansion & Strategic Partnerships

Actively growing our home-grown restaurant brands across the GCC and international markets. We welcome partnerships with aligned operators and investors to jointly develop, scale, and strengthen these brands through structured, performance-driven expansion.

Pre-Opening Services

Supporting restaurant and cloud kitchen launches from concept and site selection through to fit-out and operational readiness.

Post-Opening Services

Our post-opening services are designed to strengthen operational performance and ensure long-term success beyond launch. Through structured training, operational governance, and hands-on management support, we drive consistency, efficiency, and sustained profitability while enabling continuous improvement and service excellence across all operations.



Technical Services

Project Management & Owner's Representation

Gulf Hotels Group's Project Management and Owner's Representation services provide dedicated oversight to deliver hospitality projects efficiently, on time, and in alignment with the owner's objectives and long-term operational goals.

Design, Construction & FF&E Oversight Services

We deliver hospitality projects efficiently, ensuring quality, brand alignment, ensuring cost control, timely delivery, and asset value.

Value Engineering, Lifecycle Costing & ESG Integration

Our approach to value engineering, lifecycle costing, and ESG integration ensures that projects are optimized for cost efficiency, long-term performance, and responsible development. By balancing upfront investment with operational sustainability, we deliver solutions that enhance asset value while meeting environmental, social, and governance objectives.

Our services are designed to enhance operational performance and support sustainable growth across Gulf Hotels Group's hospitality portfolio. Leveraging industry expertise and an integrated operating approach, these services drive efficiency, uphold service quality, and create long-term commercial value.

Elevating hospitality through excellence

Financial Key Figures

Gulf Hotels Group delivered solid financial results in 2025, reflecting the resilience of its diversified portfolio and disciplined financial management.

The Group achieved solid profit growth, improved comprehensive income, and maintained stable revenues, reflecting disciplined financial management and portfolio strength. These results reinforce the Group's commitment to sustainable growth and long-term value creation.

Net profit
2024: BD 8.9 million

BD 9.8m

Total comprehensive income
2024: BD 6.8 million

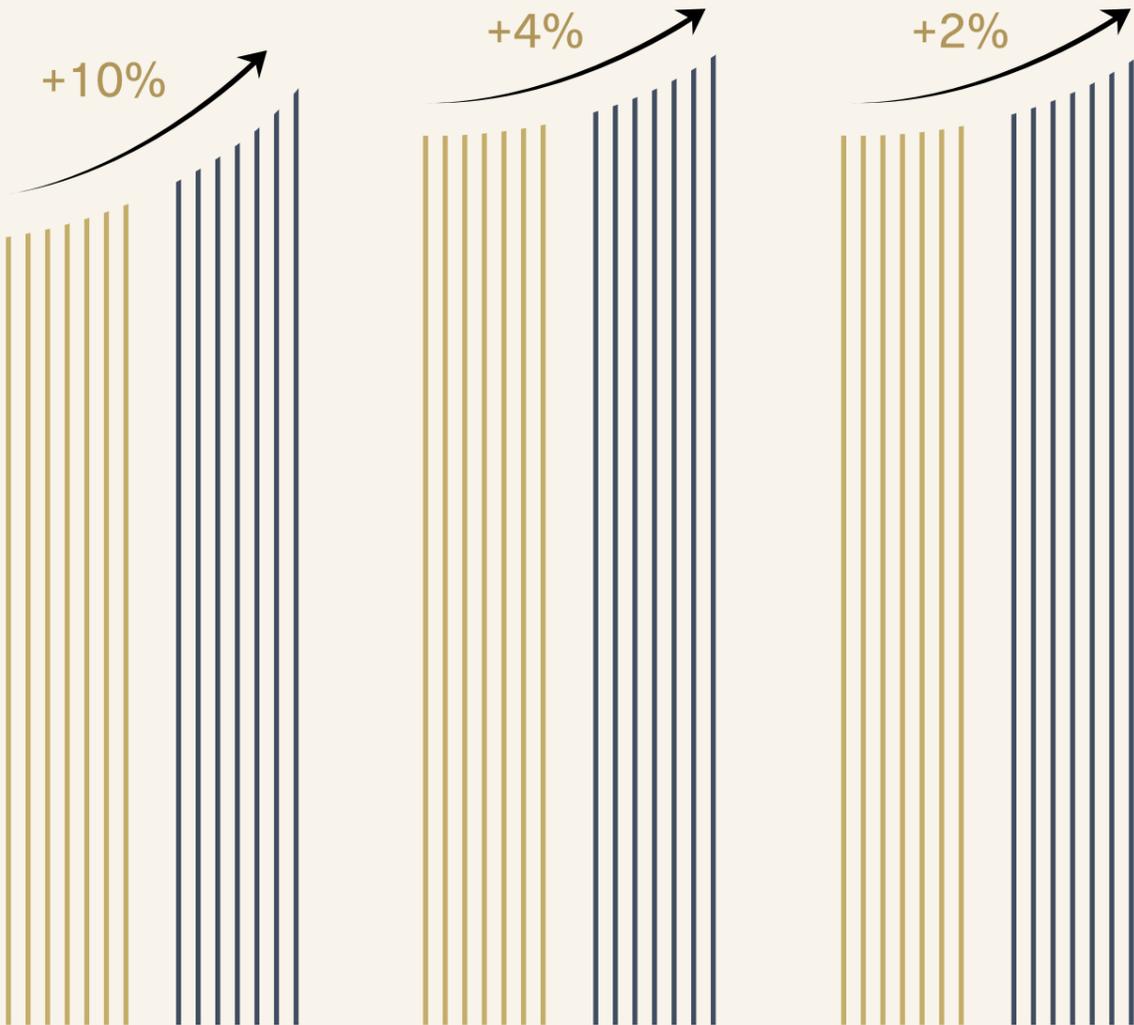
BD 10.5m

Total shareholders' equity
2024: BD 105.5 million

BD 110.3m

The group recorded growth in net profit and total comprehensive income for the year ended 31 December 2025, alongside stable revenues.

■ 2025
■ 2024



Earnings per Share : 43 fils
2024: 39 fils

Total assets BD 116,977m
2024: BD 112,862m

Operating Income BD 43m
2024: BD 42.2m

Chairman Report



Driving growth across regional markets

Mr. Fawzi Kanoo
Chairman

On behalf of the Board of Directors, I have the pleasure of presenting the Financial Statements of the Gulf Hotels Group BSC, for the year ended 31st December 2025. I am pleased to announce that The Group has achieved an outstanding financial result for the year ended 31 December 2025, achieving net profit of BD 9.8 compared to BD 8.9 million last year, reflecting an increase of 10.4%.

The total comprehensive income reached BD 10.5 million, an increase of 53.5% compared with previous year and delivering a double-digit growth in profitability. The strong financial results for 2025 reflect our steadfast commitment to operational excellence, innovation, and sustainable growth across all business segments. The Group remains well-positioned to drive continued expansion, enhance its market share, and deliver sustained value to our shareholders.

Results

- Total income BD 43,041,116
- Net Profit BD 9,780,859

Proposed Appropriations

Considering the positive financial results achieved by the company, the Board of Directors are pleased to recommend for the approval of shareholders the following appropriations:

- Dividend of 25% (BD 5,643,512) equal to 25 fils per share.
- Board of Director's remuneration BD 225,000

The dividend distribution reflects the Group's continued commitment to delivering attractive and sustainable returns to its shareholders.

Future Prospects

Looking ahead to 2026 and beyond,

we remain confident in the Group's strategic direction and growth trajectory. Supported by a strong balance sheet and disciplined capital management, we are well positioned to pursue expansion while maintaining financial resilience and delivering sustainable long-term value to shareholders and stakeholders.

In the coming year, we will advance a structured and disciplined expansion agenda through selective investments and strategic partnerships. This includes regional growth across the Kingdom of Saudi Arabia, the United Arab Emirates, and selected high-growth markets in East Africa and the Indian Ocean, where long-term tourism fundamentals remain compelling.

The Board will continue to apply a rigorous investment and risk management framework to ensure that expansion strengthens earnings quality, preserves balance sheet integrity, and reinforces the Group's long-term competitiveness.

Acknowledgments

On behalf of the shareholders and the Board of Directors of The Gulf Hotels Group BSC, I would like to express our sincere gratitude and appreciation to H.M. King Hamad Bin Isa Al Khalifa, HRH the Crown Prince and Prime Minister Salman Bin Hamad Al Khalifa, the Ministers, Undersecretaries, Directors, and Heads of Government Departments, for the immeasurable interest, guidance, and encouragement accorded to Gulf Hotels Group.

Equally, we are grateful to our clients, patrons, and most of all, to the people of Bahrain for your outstanding support, trust, and confidence as we look to sustain the highest level of hospitality

service.

The success of the Company would not have been possible without the hard work and dedication of the Company's management and staff. The Board of Directors join me in acknowledging the unwavering commitment of the Gulf Hotels Group teams. To our Group Chief Executive Officer, Ahmed Janahi, his management team and all of our employees, your commitment to service has been exemplary and you have our grateful thanks.

As we move into 2026, we are confident in our ability to continue the momentum and deliver another year of growth and success.

Mr. Fawzi Kanoo
Chairman

Group CEO Statement



Building Momentum for Future Growth

Mr. Ahmed Janahi
Group CEO

Building Momentum for Future Growth

As we conclude 2025, I would like to reflect on what this year represents for Gulf Hotels Group beyond the headline numbers. FY2025 has been a year of steady progress, shaped by discipline execution, resilience, and continued focus on strengthening our foundations. It strengthened the quality of our earnings, restored scale across our operations, and advanced the execution of our strategy, while reinforcing the governance and accountability standards that underpin the long-term value creation. Achieving this progress in a demanding operating environment reflects the commitment and dedication of our teams across the Group.

Sustained Financial Strength

We are pleased to report another year of strong performance in 2025, with net profit reaching BD 9.8 million, representing +10% year-on-year growth versus to 2024. This performance represents not only continued earnings growth but also a meaningful improvement in earnings quality relative to pre-COVID benchmarks, supported by disciplined execution and enhanced operating leverage across the portfolio.

The post-pandemic recovery has also proven to be sustained rather than episodic. Since 2023, net profit has increased from BD 6.8 million to BD 9.8 million, representing growth of 44% over the two-year period. This trajectory underscores the strength and durability of the Group's earnings momentum and signals that the organisation is entering a more stable phase of performance driven by consistent execution and structurally stronger operating fundamentals.

Net profit margin improved to 23%, reinforcing that the Group's performance reflects more than a recovery in earnings. It signals a structural strengthening in the quality of earnings and the organisation's ability to convert revenue into sustainable profit.

Equally significant is the restoration of the Group's operating scale beyond pre-pandemic levels. Total Revenue and Other Income reached BD 43 million in 2025, exceeding the BD 42 million recorded in 2019. While topline performance has returned to pre-COVID levels, the more important development lies in the improvement in profitability, with net profit margin increasing from 14% in 2019 to 23% in 2025.

These results were achieved in an operating environment that continues to be defined by intensified competition and increased supply in addition to inflationary pressures, wage and benefits cost escalation, rising service and utility costs. In this context, the result reflects not only financial performance but also the discipline of our operating model, particularly in areas such as overhead control, productivity focus, and the practical benefits of clustering and shared services, which enhance efficiency without diluting standards.

In essence, the results achieved in 2025 reflect fundamentals executed well: a return to pre-COVID revenue levels combined with materially stronger profit conversion, supported by disciplined cost management despite continued external cost pressures, and underpinned by a recovery that has proven sustained rather than episodic over the past two years, reflecting the steady strengthening of the Group's earnings trajectory.

Enhancing Portfolio Competitiveness

The Group continued to strengthen its portfolio through a series of strategic partnerships and portfolio upgrades designed to enhance distribution reach, brand repositioning, and reinforce the competitiveness of its core assets.

• Strategic Brand Alignment: Gulf Hotel Bahrain

A major milestone during the year was the integration of Gulf Hotel Bahrain into the Marriott Bonvoy ecosystem, positioning the Group's flagship asset within one of the world's largest global hospitality distribution and loyalty networks.

The benefits of integrating Gulf Hotel Bahrain into the Marriott Bonvoy ecosystem became visible shortly after activation, strengthening both demand generation and distribution efficiency.

Phase 2 of the property enhancement programme, including refurbishment of guest rooms and key public areas such as the lobby, reception, all-day dining outlets, lounges, meeting spaces and wellness facilities, is scheduled for completion by end of 2027, further strengthening the long-term positioning of the property.

• Strengthening Brand Positioning: Grand Mercure Business Bay Dubai

During the year, the Group completed the rebranding of Gulf Court Hotel Dubai to Grand Mercure under the Accor brand, strengthening the asset's brand positioning and reinforcing the Group's presence in the UAE market.

The early performance of the Accor ecosystem demonstrates the potential of stronger brand alignment to improve both demand generation and rate positioning over time.

As part of Phase 2 of the property enhancement programme, upgrades to the All-Day Dining outlet and pool area are scheduled for completion by Q2 2026, further strengthening the competitiveness and guest offering of the asset.

• Asset Repositioning: Gulf Executive Residences Juffair

During 2025, the Group also completed the conversion of Gulf Executive Residences Juffair into a four-star hotel, strengthening the property's positioning within the market and expanding its revenue potential.

Since the conversion in October 2025, the property has experienced stronger short-stay demand, enabling the asset to capture higher average daily rates compared with the previous long-stay apartment contracting model.

This repositioning allows the asset to participate more actively in transient demand segments, improving both occupancy dynamics and rate performance while aligning the property more closely with the broader portfolio strategy.

Group CEO Statement

A major milestone during the year was the integration of Gulf Hotel Bahrain into the Marriott Bonvoy ecosystem, positioning the Group's flagship asset within one of the world's largest global hospitality distribution and loyalty networks.

Expansion Beyond Hotel Walls

During the year, the Group took deliberate steps to expand its hospitality platform beyond the traditional boundaries of hotel operations. Alongside strengthening the core portfolio, several initiatives were advanced to build scalable hospitality platforms across food and beverage, services, and strategic partnerships that support long-term diversification of revenue streams.

• Building Strategic Operating Platforms

A key priority during the year was strengthening the Group's ability to operate and scale hospitality services beyond individual assets by developing specialised operating platforms supported by strategic partnerships.

An important step in this direction was the signing of a joint venture partnership with MFive Services, a UAE-based specialist in hospitality housekeeping and cleaning solutions jointly owned by Abu Dhabi National Hotels (ADNH) and Metro Global. Through this partnership, the Group is establishing MFive Services Bahrain, introducing international standards of outsourced housekeeping and hospitality support services to the Kingdom.

The initiative is designed not only to strengthen operational capability across the Group's portfolio, but also to introduce a scalable hospitality services platform capable of supporting multiple assets across the wider market. By combining MFive's specialist expertise with the Group's operational footprint and regional relationships, the partnership establishes a more structured and efficient approach to service delivery, supporting consistent service standards, improved productivity, and greater operational flexibility across hospitality assets in Bahrain and potentially the wider region.

In addition, we signed several pivotal term sheets that support our pipeline of managed and operated assets and broaden our geographic and product footprint. These include new opportunities in Saudi Arabia, Maldives and Zanzibar, and we are progressing owner approvals for brand selection and commercial terms. Each opportunity is being approached with discipline, balancing growth ambition with governance, risk clarity, and a returns-led lens. We recently announced our first entry into Saudi Arabia market by signing a memorandum of understanding (MoU) with Burhan Hotels to operate and manage three hotels in Makkah, totalling around 1,000 rooms. This partnership marks a strategic milestone

for Gulf Hotels Group and reinforces our positioning as a trusted third-party operator in one of the world's most dynamic religious tourism markets.

Together, these initiatives represent an important shift in the Group's operating model, from managing individual properties toward building scalable hospitality platforms capable of supporting a broader regional presence while strengthening operational resilience and future growth capacity.

• Expanding Signature Dining Concepts

The Group also continued to strengthen its food and beverage platform through targeted brand expansion and new openings.

Expansion agreements for Takht Jamsheed progressed into key destinations, including entry into Saudi Arabia's Eastern Province and Marassi Galleria, extending the flagship concept into prominent mixed-use lifestyle destinations.

At the Gulf Hotel Bahrain, the Group opened Typhoon Terrace, enhancing the guest proposition and strengthening the property's lifestyle positioning within Bahrain's dining market.

The Novotel Al Dana Beach Club project was also repositioned under a refreshed partnership framework with local partner.

In parallel, refurbishment and concept upgrades are underway across several established outlets in the Gulf Hotel including Café Delice, China Garden, and Takht Jamsheed, with phased completion targeted by April 2026.

• A New Chapter in Catering Services

A major milestone during the year was the launch of Gulf Catering, a dedicated hospitality and catering services company.

The platform builds on the Group's five-decade legacy in culinary excellence and is designed to deliver food services across corporations, healthcare institutions, educational facilities, retail environments, and large-scale events. The business provides tailored catering solutions that elevate the daily dining experience while maintaining the quality standards associated with the Group's hospitality brand.

The platform secured an important early contract with the Bahrain International Circuit (BIC), one of the Kingdom's flagship national venues and host of major international motorsport events. Under this engagement, the Group provides catering services supporting race-related hospitality, corporate functions, and staff catering at the venue, marking a significant step in establishing the platform's capability to serve large-scale events and institutional clients. This was followed by the award of a contract with RCSI Bahrain (Royal College of Surgeons in Ireland – Bahrain), a leading international medical university in the Kingdom, providing canteen catering services and further validating the Group's entry into the contract catering market.

Strengthening the Foundations of the Business

As the Group expands its activities, we remain equally focused on strengthening the operational and organisational foundations that support sustainable growth. Over the past year, several initiatives were implemented to enhance digital capability, reinforce sustainability practices, and continue building the talent and leadership pipeline required to support the Group's long-term development.

• Digitisation and Operational Enablement

A key priority during the year was strengthening the Group's operating infrastructure through the deployment of practical digital tools designed to improve operational control, enhance productivity, and support scalable growth across the organisation.

Guest engagement was advanced through the digitisation of the Prestige Club, the Group's customer loyalty programme offering members exclusive privileges and benefits across its hotels, restaurants, and hospitality outlets. The programme is being transitioned into an enhanced app-led platform designed to deepen customer engagement and encourage greater cross-property spending across the Group's portfolio.

Operational efficiency initiatives also delivered measurable results. A food waste management system deployed at outlets across the portfolio to reduce food waste.

Food safety and operational productivity were further strengthened through the rollout of a digital operations management system designed to automate operational checklists and food safety monitoring. The system is already operational at the central kitchen, China Garden, Liwan, and Time Out Market, with further expansion planned across the restaurant network.

• Sustainability and ESG

Environmental, social, and governance considerations continue to be embedded across the Group's operations through practical initiatives that improve efficiency, strengthen operational standards, and support responsible growth.

10%

The Gulf Hotels Group achieved a net profit reaching BD 9.8 million, representing +10% year-on-year growth versus to 2024.

44%

Since 2023, net profit has increased from BD 6.8 million to BD 9.8 million, representing growth of 44% over the two-year period.

23%

Net profit margin improved to 23%, reinforcing that the Group's performance reflects more than a recovery in earnings.

Group CEO Statement

We recently announced our first entry into Saudi Arabia market by signing a memorandum of understanding (MoU) with Burhan Hotels to operate and manage three hotels in Makkah, totalling around 1,000 rooms.

Environmental progress during the year was supported by the expansion of internationally recognised certifications and frameworks. Green Key certification was achieved at the Gulf Hotel Bahrain and renewed at Novotel Al Dana, with the latter also attaining Accor Sustainability Platinum recognition. Additional environmental management standards continue to be implemented across the portfolio, including IHG Green Engage, Dubai DET sustainability requirements, and ISO 14001 environmental management systems across selected assets.

Operational initiatives focused on improving efficiency and reducing environmental impact, including reductions in single-use plastics, enhanced waste segregation and recycling processes, and structured food waste reduction programmes.

From a social perspective, the Group continued to strengthen talent development and localisation initiatives through programmes such as Al Mostaqbal and the Group's internship programmes, supported by ongoing investments in training, employee engagement, and wellbeing.

From a governance standpoint, the Group continues to operate within robust oversight frameworks aligned with Bahraini regulatory expectations, reinforcing transparency, accountability, and ethical business practices as the organisation expands.

• People and Culture

Sustained performance is ultimately built on the strength of people. Throughout the year, the Group continued to invest in developing Bahraini talent and strengthening leadership capabilities across the organisation, recognising that long-term success depends not only on strategy and assets, but on the people who bring them to life every day.

In recognition of these efforts, Gulf Hotels Group was listed among the Top 100 institutions formally recognised and thanked by His Royal Highness the Crown Prince and Prime Minister for their contributions to the employment of Bahraini nationals in 2025. We are proud of this acknowledgment, which reflects the Group's long-standing commitment to supporting national talent and contributing to the Kingdom's employment and development objectives.

Our people-focused approach was also reflected in broader workplace recognition. During the year, Gulf Hotels Group was certified as a Best Place to Work and ranked 20 among the Top Workplaces in the Middle East in 2025, reflecting the collaborative culture and positive working environment that our teams continue to build across the organisation.

At the same time, we remained focused on strengthening early-career pathways for Bahraini nationals. The Group launched the second edition of its Summer Internship Programme, which was recognised as the Best Summer Internship Programme at the Bahrain HRM Summit Awards 2025, underscoring our commitment to nurturing the next generation of hospitality professionals.

For us, investing in people is not simply a social responsibility; it is a central pillar of long-term value creation. By developing talent, strengthening leadership capabilities, and fostering a culture of accountability and service excellence, we are building a workforce that can execute consistently, adapt to change, and uphold the standards expected of our brand as the organisation continues to grow.

Turning Strategy into Execution

Looking ahead, Gulf Hotels Group is entering the next phase of its strategic journey. With the Board's approval of the Group's long-term strategy for the 2026–2030 period, our focus now shifts firmly from strategy development to disciplined execution.

2025 was not only a year of delivery, but also a year of direction. With the strategic framework now clearly defined, our priority is to translate strategic ambition into operational reality with pace and discipline.

In the period ahead, the Group's strategic priorities will be translated into clear implementation roadmaps supported by defined ownership, robust governance structures, measurable milestones, and transparent performance indicators. Through this approach, we aim to ensure that progress remains visible, trackable, and consistent—so that strategy becomes visible execution and execution becomes measurable value.

Acknowledgement

I would like to extend my sincere appreciation to our Board of Directors for their continued guidance and strategic oversight, which remain instrumental in shaping the Group's direction and long-term success. I also wish to thank our leadership team and employees across the organisation whose dedication, professionalism, and commitment to excellence continue to drive the progress of Gulf Hotels Group.

The achievements of 2025 stand as a strong testament to what our organisation can deliver when clarity of direction is matched by disciplined execution. Our teams have not only delivered solid results but have also strengthened the foundations that will support the Group's next phase of growth and development.

With a clear strategy, strengthened foundations, and an expanding hospitality platform, we look ahead with confidence as we continue building the next chapter of Gulf Hotels Group's growth.

Mr. Ahmed Janahi
Group CEO

Looking ahead, Gulf Hotels Group is entering the next phase of its strategic journey. With the Board's approval of the Group's long-term strategy for the 2026–2030 period, our focus now shifts firmly from strategy development to disciplined execution.

Board of Directors



Fawzi Ahmed Kanoo
Chairman



Hala Farouk Almoayyed
Vice Chairman



Mohamed J. Buzizi
Director



Jassim Abdulaal
Director



Adel Al-Maskati
Director



Zain Al Amer
Director



Fahad Kanoo
Director



Mohamed Ahmadi
Director



Suha Karzoon
Director



Andrew Day
Director



Husain Al Shehab
Director

Executive Management



Ahmed Janahi
Group Chief Executive Officer



Mohamed Algharbi
Chief Financial Officer



Majd Hamamouchi
Director of Acquisition & Business Development



Ali M. Kandy
IT Operations Manager



Shaheed Elaiwi
Director of Finance & Corporate Statutory Accounting



Feras Almarri
Finance and Reporting Manager



Reem Alrayes
Legal Counsel, Compliance & Board Secretary



Shuvendu Bakshi
Director of Projects



Mahmood Al Qaidoom
Projects Manager



Christo Singh
MEP Manager



Noor Alhayki
Head of Corporate Communications and Marketing



Amit Puri
Director of Human Resources & Development



Khalid Al Awadhi
Human Resources Manager

Group Portfolio Companies and Strategic Ventures

Gulf Hotels Group's operations are supported by a diversified portfolio of subsidiaries and joint ventures that complement its core hospitality business and extend its presence across related sectors and markets. Through these entities, the Group is engaged in hotel ownership and management, hospitality support services, leisure and tourism activities, and strategic investments, enabling operational efficiencies, partnership-led growth, and sustainable long-term value creation across regional and international markets.

Group Portfolio

Companies and Strategic Ventures



Gulf Catering

Gulf Catering W.L.L. is the contract catering and food production arm of Gulf Hotels Group, delivering high-quality, safe, and efficient catering solutions across corporate, healthcare, education, retail, and events sectors. Operating from a modern Central Kitchen and guided by a hospitality-led service approach, the company combines operational discipline with culinary expertise to deliver consistent, scalable solutions that enhance everyday dining experiences.

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www.gulfcatering.bh



Gulf Hotel Laundry Services

At Gulf Hotels Group we continuously strive to offer our clients excellent facilities and unrivalled service. The two-storey commercial laundry is a state-of-the-art facility, which services the requirements of more than 30 hotels, restaurants, and airlines and launders over a million pieces each month.

M: +973 6665 5220
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www.ghlsbahrain.com



Gulf Brands International

A wholly owned subsidiary of Gulf Hotels Group, Gulf Brands International is Bahrain's leading importer and distributor, offering a cutting-edge portfolio of over 400 beverage products sourced from more than 50 international companies.

T: +973 1772 8014
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www.gulfbrandsinternational.com



GHG Hospitality

Gulf Hospitality, established in August 2024 as a wholly owned subsidiary of Gulf Hotels Group, represents a strategic extension of the Group's hospitality portfolio. The company is focused on expanding our food and beverage footprint beyond the traditional hotel setting, enabling the Group to diversify its offerings, capture new market opportunities, and strengthen its presence across standalone and external operating environments.

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Group Portfolio

Companies and Strategic Ventures



MFive Services

MFive is a strategic joint venture between Abu Dhabi National Hotels, Metro Global, and Gulf Hotels Group, delivering a fully outsourced, turnkey hotel housekeeping operation designed to integrate seamlessly with each property's brand standards, service culture, and operating requirements.

The model provides the complete housekeeping function — from executive leadership and professionally trained room attendants to daily supervision, continuous training, operating supplies,

and equipment — all delivered in line with the hotel's SOPs and service levels, while owners and operators retain full oversight and control.

Quality and consistency are embedded into the model through clearly defined KPIs, detailed operational checklists, and structured weekly and monthly joint performance reviews, ensuring brand standards, operational excellence, and guest satisfaction remain central at all times.

What sets MFive apart is its pay-for-productivity commercial model. Rather than charging a fixed monthly manpower fee, services are priced per room cleaned, converting housekeeping from a fixed payroll cost into a flexible, occupancy-driven variable expense. This approach improves efficiency, eliminates idle labour during low-occupancy periods, simplifies forecasting, and delivers stronger cost control through a single, fully accountable partner responsible for staffing, consumables, and day-to-day operations.

By combining Gulf Hotels Group's regional hospitality heritage with the operational scale of Abu Dhabi National Hotels and Metro Global, and MFive's specialised housekeeping platform, hotels benefit from greater operational consistency, reduced cost volatility, and protected brand and owner outcomes.

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www.mfiveservices.com



Bahrain Family Leisure Company

Bahrain Family Leisure Company B.S.C. (BFLC) is a Bahraini public shareholding company established in 1994 and listed on the Bahrain Bourse. The company owns and operates a diversified portfolio of food and beverage businesses across the Kingdom, including internationally recognised franchise restaurant brands. During the year, BFLC announced the integration of Truffle Hospitality Holding through a share-swap transaction, bringing together a combined portfolio of more than 20 food and beverage brands across fast casual dining and cafés. This strategic development strengthens BFLC's platform and supports the continued expansion of its brands across Bahrain and the wider GCC

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www.bflc.com.bh

Our services are designed to enhance operational performance and support sustainable growth across Gulf Hotels Group's hospitality portfolio. Leveraging industry expertise and an integrated operating approach, these services drive efficiency, uphold service quality, and create long-term commercial value.

Elevating
hospitality
through
excellence.

Group Portfolio Hotels, Resorts, and Residences

Gulf Hotels Group's hotel portfolio reflects its legacy of hospitality excellence and commitment to delivering distinctive guest experiences. Comprising a diverse collection of flagship, upscale, and internationally branded properties, the portfolio is strategically positioned across key locations to serve a broad spectrum of leisure, business, and lifestyle travelers. Each property is underpinned by the Group's focus on quality, innovation, and operational excellence, reinforcing its position as a leading hospitality operator in the region.

Number of
Properties

8

Total Number
of Keys

1,200

Group Portfolio

Hotels, Resorts, and Residences



The Gulf Hotel Bahrain

Bahrain's first five-star hotel, opened in 1969 in the heart of Adliya, is renowned as one of the largest hotels in the Kingdom, featuring 361 rooms and suites and an exceptional portfolio of award-winning restaurants and lounges, alongside a three-storey spa and health club. With its integration into Marriott Bonvoy and the Autograph Collection, Gulf Hotel Bahrain will remain under the full management of Gulf Hotels Group and continue operating under its iconic name, preserving its rich heritage and distinctive identity.

T: +973 1771 3000
M: +973 3655 1222
E: info@gulfhotelbahrain.com
www.gulfhotelbahrain.com



Novotel Bahrain Al Dana Resort

Novotel Bahrain Al Dana Resort, owned and managed by Gulf Hotels Group, is a luxury 4-star beachside hotel in Manama and is just 5 minutes' drive from Bahrain International Airport. The hotel features 166 rooms of various categories and an outdoor temperature-controlled swimming pool, private beach, fitness center and spa alongside several dining outlets.

T: +973 1729 8008
E: h3600@accor.com
<https://all.accor.com/hotel/3600/index.en.shtml>



Bahrain Airport Hotel

Partially owned by the Group and operated on behalf of Bahrain Airport Hotel Company, the hotel is located opposite departure gate 15 in the new Bahrain International Airport and provides passengers with equipped and spacious family rooms and state-of-the-art sleeping pods.

T: +973 1713 7600
E: reservation@bahrainairporthotel.com.bh
www.bahrainairporthotel.com.bh



Crowne Plaza Bahrain

In 2016, Gulf Hotels Group acquired Bahrain Tourism Company, which owns the 278-bedroom Crowne Plaza Hotel and Bahrain Conference Centre. The 5-star hotel, owned and managed by Gulf Hotels Group, operates under franchise from the InterContinental Hotel Group and is perfectly situated in the heart of the Diplomatic Area.

T: +973 1753 1122
info@crowneplazabahrain.com
www.crowneplazabahrain.com

Group portfolio

Hotels, Resorts, and Residences



Grand Mercure Business Bay

Experience Dubai through authentic hospitality. Grand Mercure Business Bay, owned and managed by Gulf Hotels Group, is located in the heart of Business Bay, overlooking the Dubai Canal and the city skyline, and offers 270 elegantly appointed rooms and suites, a collection of restaurants and lounges, versatile meeting spaces and leisure facilities.

T: +971 4247 3334
 E: hc3q8@accor.com
<https://all.accor.com/hotel/C3Q8/index.en.shtml>



Ocean Paradise Resort and Spa

Partially owned and managed by Gulf Hotels Group, the resort is considered one of the leading resorts in Zanzibar, the resort is set within 65,000 sqm on beautifully landscaped gardens, with statuesque palm trees, a sandy white beach overlooking the stunning turquoise water of the Indian Ocean.

T: +255 24 550 4000
 E: info@oceanparadisenzanzibar.com
www.oceanparadisenzanzibar.com



Gulf Executive Residence

The property is owned and managed by Gulf Hotels Group. The Gulf Executive Residence offers 97 apartments and a total of 162 rooms, with distinctive modern and luxurious furnishings. Being located within the Gulf Hotel ensures its residents utmost luxury and comfort.

T: +973 1771 3000
 E: info@gulfhotelbahrain.com
www.gulfexecutiveresidence.com



Gulf Executive Residence Juffair

The property is owned and managed by Gulf Hotels Group. This luxurious property opened in 2018 in Juffair and offers 109 elegantly designed apartments ideal for both business and leisure. Each luxury apartment provides a harmonious comfort and convenience. The building boasts a rooftop temperature controlled pool, gym and sauna.

T: +973 1366 6699
 E: info@gulfresidencejuffair.com
www.gulfresidencejuffair.com

Group Portfolio

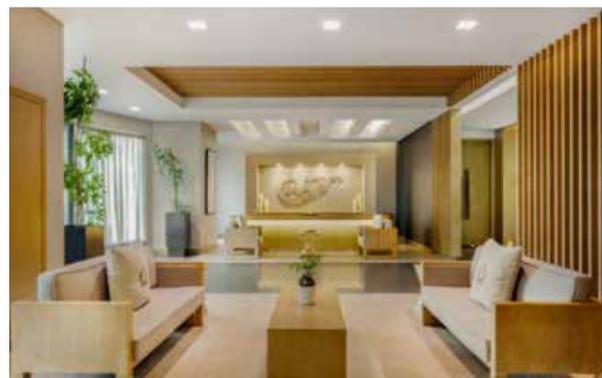
Hotels, Resorts, and Residences



Gulf Convention Centre

The Gulf Hotel's hugely successful Gulf Convention Centre was the first major meetings venue in the Kingdom of Bahrain when it launched in May 1997. It was fully renovated in 2018 featuring spectacular multi-spectrum chandeliers that change colour to suite all themes complimented by a state-of-the-art built in sound system and high digital HD screens.

T: +973 1771 3000
M: +973 3655 1222
E: info@gulfhotelbahrain.com
www.gulfhotelbahrain.com



The Gulf Spa & Salon

The Gulf Spa consists of three floors of ultimate luxury to guarantee a memorable and unique experience. Offering a variety of exceptional services performed by a team of professional therapists.

T: +973 1774 6289
M: +973 6698 4448
E: spa@gulfhotelbahrain.com
www.gulfhotelspa.com

Our services are designed to enhance operational performance and support sustainable growth across Gulf Hotels Group's hospitality portfolio. Leveraging industry expertise and an integrated operating approach, these services drive efficiency, uphold service quality, and create long-term commercial value.

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Group Portfolio

Restaurants

Gulf Hotels Group's restaurants offer vibrant and distinctive dining experiences that complement the Group's diverse hospitality portfolio designed to suit a variety of tastes, lifestyles and occasions. These venues present diverse cuisines, carefully crafted menus, and welcoming atmospheres that create memorable culinary and social experiences. Through consistent culinary quality and attentive service, the Group's restaurants continue to elevate guest experiences and further establish its position as a leading dining destination in the region.

Number of
Restaurants

22

Group Portfolio Restaurants



China Garden

Chinese Cuisine

Designed in contemporary Chinese style offering a wide selection of Szechuan, Cantonese, and Pekingese specialties authentically prepared by our team of Chinese Chefs.



Sato Restaurant

Japanese Cuisine

Sato restaurant has earned itself a reputation for serving the absolute best Japanese cuisine. The restaurant boasts three teppanyaki rooms, three tatami rooms and a beautiful sushi bar. Newly renovated in 2024 it has been serving up some of the most authentic Japanese delicacies since the 1980s'.



La Pergola

Italian Cuisine

The renowned Italian restaurant is famous for using the highest quality ingredients; every hand roller pasta, kneaded dough and unique sauce is a labour of talent and love.



Margarita Mexicana

Mexican Cuisine

This authentic restaurant combines indigenous ingredients with contemporary flair to the Mexican cuisine delivering upscale dining experience. It is the first fine-dining Mexican restaurant in Bahrain when it first opened its doors in 2009

Group Portfolio Restaurants



Takht Jamsheed

Persian Cuisine

Taking inspiration from Persia's royal palace of Takht Jamsheed, this chic restaurant offers a fine-dining experience enjoyed with daily live entertainment.

Fusions

International & Middle Eastern Cuisine

A restaurant where ingredients of memory and Bahrain tradition are whipped into a frenzy of new and daring dishes. Fusions offers a synergy of Middle Eastern cuisine and fine dining where local cooking, techniques and ingredients meet.

Rasoi

Indian Cuisine

The first fine-dining Indian restaurant in Bahrain, offering a distinctive interpretation of Indian cuisine through thoughtfully curated and specially crafted menus.

Al Waha Restaurant

International Cuisine

Featuring an elegant dining space, taking buffet dining to a whole new level. A popular dining spot within the Gulf Hotel Bahrain, where guests can enjoy dishes from all over the world!

Group Portfolio Restaurants



Zytoun

Mediterranean & Arabic Cuisine

All day dining restaurant, serves Mediterranean and middle eastern treats for breakfast, lunch and dinner from the A la carte service.



Fishbone

Italian Fusion Cuisine

Modern Italian trattoria & bar lounge by the sea. Experience contemporary, 'rustic refined' dining, celebrating local ingredients & culture. Come & enjoy a fun, relaxed dining experience, the perfect choice for lunch or dinner.



La Perle

Seafood Cuisine

Unique in Bahrain, our seafood restaurant offers the possibility to enjoy both local and imported fresh product from the sea. With a terrace rarely found in Bahrain, you can also simply enjoy a shisha with your favourite drink.



La Mosaïque Restaurant

All Day Dining

This spacious and elegant restaurant offers extensive international cuisine for breakfast, lunch and dinner and an A La Carte menu to suit every taste. In La Mosaïque, our guests are offered a choice of fresh and healthy cuisine. This family friendly restaurant is the hotel's busiest dining spot and is home for the famous themed nights every week.

Group Portfolio

Restaurants



Sofra

International Cuisine

An all-day dining restaurant offering international cuisine in a welcoming and comfortable setting. The restaurant features breakfast and lunch buffets, complemented by an à la carte menu designed to cater to a wide range of tastes. With its comfortable ambience and diverse offerings, Sofra provides a versatile dining experience throughout the day.

Maverick

American Cuisine

A casual American sports diner offering classic comfort food in a relaxed social setting. The menu features a selection of American favourites, complemented by curated cocktails and mocktails, alongside live sports broadcasts. Designed as a social hub for sports enthusiasts, the venue provides an informal setting for casual dining and match-day gatherings.

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Group Portfolio Restaurants



Mawimbi Restaurant

Zanzibari Seafood & Swahili Fusion

Set on a stunning beachfront location, Mawimbi Restaurant serves a selection of sumptuous Zanzibar seafood and Swahili fusion creations. Incorporating traditional Zanzibar ingredients with western influences for lunch to all our guests.



Jahazi Restaurant

Zanzibari & International cuisine

The Jahazi Restaurant serves a variety of snacks and the best wood-fired pizzas in Zanzibar. The menu offers an a la carte selection of international and authentic Zanzibari cuisine for lunch. Late afternoon fill the hungry spot with complimentary tea/coffee, snacks, and daily happy hour specials. During dinner, the restaurant exudes a romantic ambiance under the African stars offering a themed buffet with a variety of dishes while being entertained by local bands.



China Garden Liwan

Chinese Cuisine

A modern evolution of Gulf Hotel's iconic China Garden, the new Liwan location brings a refreshed design, elevated plating, and contemporary flair — all while staying true to the rich flavors and signature elements that made the original a beloved favorite.



Kaju

Indian Cuisine

Inspired by the humble cashew nut, Kaju delivers bold, soulful Indian flavors in every bite. It's a celebration of culture, warmth, and connection – where every dish is crafted with soul and tells a story.

Group Portfolio Restaurants



Doña by Margarita Mexicana

Mexican Cuisine

A bold new concept born from Gulf Hotel's beloved Margarita Mexicana, Doña brings the vibrant spirit of Mexico to Time Out Market Bahrain. Rooted in tradition and always in motion, Doña reimagines classic flavors with energy and soul.

Zen by China Garden

Chinese Cuisine

A Modern Take on Timeless Chinese Flavors. From the legacy of Gulf Hotel's iconic China Garden, Zen brings over 30 years of culinary heritage to Time Out Market Bahrain. It's an energetic fusion of tradition and innovation — honoring classic Chinese flavors while reimagining them for today. Bold, vibrant, and full of character, Zen offers a fresh experience rooted in time-honored taste.

Takht Jamsheed – Marassi Galleria

Persian Cuisine

Taking inspiration from Persia's royal palace of Takht Jamsheed, the upcoming Marassi Galleria location, opening soon in 2026, marks the brand's continued growth, offering a sophisticated fine-dining experience. Opening soon.

Takht Jamsheed – Bayfront Al Khobar, Saudi Arabia

Persian Cuisine

Inspired by Persia's royal palace of Takht Jamsheed, the restaurant continues its regional expansion at Bayfront Al Khobar, Saudi Arabia, delivering a premium fine-dining experience enhanced by daily live entertainment. Opening soon.

Group Portfolio Cafés & Lounges

Gulf Hotels Group's cafés and lounges offer refined yet relaxed settings that complement the Group's diverse hospitality portfolio designed to suit a variety of lifestyles and occasions. These venues combine quality beverages, thoughtfully curated menus, and inviting atmospheres to create engaging social and leisure experiences. Through consistent service excellence and contemporary concepts, the Group's cafés and lounges continue to enhance guest engagement and reinforce its position as a leading hospitality brand in the region.

Number of
Cafés & Lounges

12

Group Portfolio Cafés & Lounges



Café Délices

Middle Eastern & International

The Gulf Hotel Bahrain, Gulf Executive Residence
Juffair, Grand Mercure Business Bay



Cappuccino's Coffee Shop

Café



Sherlock Holmes

Sports Lounge



The Oak Lounge

Lounge



Sato Lounge

Japanese Lounge



Typhoon

Lounge



Typhoon Terrace

Lounge



Spin

Lounge

Group Portfolio Cafés & Lounges



Le Bellavue Lounge
Lounge

The Harvesters Lounge
Lounge



Canal Lounge
International Lounge

Sports on 4
Sports Lounge

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ESG Report

ESG Report

Introduction

As environmental, social and governance (ESG) considerations continue to gain prominence across capital markets, regulators and the hospitality sector, Gulf Hotels Group remains committed to embedding responsible and sustainable practices at the core of its operations. The growing focus on climate resilience, workforce well-being, ethical governance and transparency has reinforced the importance of ESG not only as a compliance exercise, but as a strategic business imperative.

Building on the foundations established in our previous reporting cycle, this 2025 ESG Report reflects the Group's continued progress in and commitment to integrating ESG principles into its operational planning and long-term value creation.

This report outlines our performance and initiatives across the environmental, social and governance pillars, highlighting both measurable outcomes and forward-looking priorities. While our ESG journey remains an evolving one, we are committed to continuous improvement, transparency and accountability as we respond to the expectations of our stakeholders and contribute to sustainable growth within the hospitality sector.



Environment

The Group's purpose and approach toward sustainability is to implement practical, measurable initiatives that reduce environmental impact and enhance resource efficiency, while also maintaining service quality and meeting regulatory and brand standards.

Environmental responsibilities are shared across the Group. Senior management provides oversight and direction, while General Managers and operational teams implement initiatives, monitor performance at property level, and assess operational needs and improvement opportunities, providing recommendations to management to support decision-making. In assessing our operations, we aim to operate responsibly and in compliance with applicable environmental laws and regulatory requirements, strengthen resource efficiency across our portfolio, reduce waste and minimize single-use plastics, and progressively expand environmental management practices and certifications across the portfolio.

Management Systems, Certifications and Framework

Environmental performances are monitored, with sustainability considerations being increasingly considered in renovation planning, utilities management and major capex initiatives. In addition, selected properties operate under recognized certifications and brand standards that provide structured guidance and independent benchmarks.

During 2025, key certifications and frameworks included:

- Gulf Hotel Bahrain achieved Green Key certification.
- Novotel Bahrain Al Dana Resort renewed its Green Key certification and achieved Accor Sustainability – Platinum level.
- Crowne Plaza Bahrain was awarded Level 4 in the IHG Green Engage System.
- Grand Mercure Business Bay continues to meet the Dubai Department of Economy and Tourism (DET) Hotel Sustainability Requirements (formerly issued under the Dubai Department of Tourism and Commerce Marketing (DTCM)).
- ISO 14001:2015 Environmental Management System was implemented at Gulf Hotel Bahrain, Gulf Executive Residence Juffair and Novotel Bahrain Al Dana Resort.

Operational initiatives across the portfolio

The Group continues to implement initiatives that support efficiency and waste reduction across its properties. These include energy conservation measures integrated into renovation works (such as LED upgrades and sensors), evaluation of technology solutions (including building management systems), and waste reduction initiatives focused on food waste reduction, recycling programs and the reduction of single-use plastics.

In addition to operational controls, the Group uses guest and staff engagement measures to encourage responsible consumption. This includes signage and in-room communication promoting energy-saving behaviours, such as switching off lights when leaving rooms; water-saving behaviours, such as avoiding running taps unnecessarily; linen and towel re-use messaging; and environmental awareness notices, including switching off vehicle engines while parked.

At property level, key initiatives implemented during the year included the following:

1. Gulf Hotel Bahrain has strengthened guest and staff awareness through environmental signage across the property, covering energy and water conservation, engine-idling reduction, and linen/towel re-use messaging. The hotel has also added waste-segregation points to support recycling, introduced wooden key cards, and is progressing a phased program to reduce single-use plastics by updating guest amenities and in-room items, which is planned to continue through 2026. In addition, the hotel commenced operation of an on-site Reverse Osmosis (RO) plant to produce treated water for operational use, supporting improved water quality and efficiency.

Operational initiatives across the portfolio (Continued)

2. Novotel Bahrain Al Dana Resort has implemented brand-aligned sustainability practices and achieved Accor Sustainability – Platinum level. This includes a "Zero Plastic" initiative to remove all guest-facing single-use plastics across rooms and food and beverage. Measures included transitioning amenity kits and packaging away from plastic, reducing single-use service items and unit packaging formats in food and beverage, and supporting more sustainable alternatives such as paper cups and glass bottles. The property also implemented healthy/sustainable breakfast standards, conducted Green Key-related training and continues to identify and address remaining plastic touchpoints still in progress.
3. Crowne Plaza Bahrain has progressed property-level environmental initiatives aligned with IHG's "Journey to Tomorrow" plan. During 2025, the hotel advanced single-use reduction measures in both guest rooms and food and beverage operations, including the elimination of multiple guest-facing disposable items, expanded use of bulk dispensers, and a shift toward more sustainable substitutes such as wooden key cards and paper-based service items where feasible. The property also strengthened waste management through recycling streams (including packaging materials and used cooking oil) and introduced organic waste handling measures (including composting). In parallel, energy-efficiency measures were supported through LED lighting upgrades, lighting schedules, occupancy sensors and building-management controls, alongside water-efficiency initiatives including operation of its on-site Reverse Osmosis (RO) plant.
4. Grand Mercure Business Bay has implemented measures to reduce single-use plastics by shifting guest amenities to bulk dispensers, using biodegradable and eco-friendly products, and introducing wooden key cards as a more sustainable alternative to plastic cards. The property has also introduced eco-friendly takeaway containers and eliminated single-use plastic packaging for food and beverage services. In addition, the property implemented efficiency measures (full LED lighting, motion sensors in public areas, and periodic deep-cleaning of fan coil units), installed water-saving aerators on faucets and showers to reduce water use, and uses FSC-certified paper for office printing. Responsible sourcing is supported through procurement controls, including locally sourced produce from approved suppliers, the use of MSC-certified seafood, and screening to avoid endangered species.
5. Gulf Hotels Laundry Services (GHLS) also contributes to the Group's environmental efforts through resource-efficiency measures embedded into day-to-day laundry operations. The facility's dry-cleaning equipment includes an inbuilt distillation and solvent recovery system that enables the recycling and reuse of perchloroethylene (PERC), reducing fresh solvent consumption and lowering the volume of hazardous still-residue generated. GHLS also uses biodegradable plastic reels and bags for laundry packaging and operates a hanger return-and-reuse practice, collecting used PVC wire hangers from customers for re-use to help reduce waste.

Beyond property-level operational controls, the Group supports broader environmental outcomes through community-aligned waste diversion and employee engagement. This includes donating surplus food (including from Ramadan and other large events), as well as linens and certain unclaimed lost-and-found items, to charitable organizations, as further described under Community Initiatives.

Environmental awareness is also reinforced through staff participation in external initiatives. During 2025, teams supported activities such as tree-planting and clean-up programmes, including participation in the National Afforestation Drive, Tree Week, Earth Hour, Murana Beach clean-up in Bahrain, and environmental clean-up initiatives in Dubai in collaboration with the Emirates Environmental Group (EEG) and Clean Up UAE.

The following sections provide the required ESG disclosures and performance metrics in line with the Central Bank of Bahrain and Bahrain Bourse reporting framework. As part of the 2025 reporting process, historical engineering and utility records were reconciled, and certain 2024 environmental metrics have been updated accordingly. The Group will continue refining data capture and consolidation to strengthen comparability over time.

Energy Usage, Intensity and Mix

The Group monitors energy consumption across its assets in Bahrain and Dubai to assess environmental impact and identify efficiency opportunities. Energy data is compiled from utility invoices and supplier/consumption records at property level and covers a combination of indirect energy from purchased electricity and direct energy from fuels used on-site, depending on the operational requirements at each asset. The Group continues to review renewable energy opportunities, including a solar initiative planned for selected properties.

To support comparability across the portfolio, the Group calculates an energy intensity ratio based on energy consumption per air-conditioned floor area (m²), reflecting the operational profile of its hotel and laundry assets. As part of the 2025 reporting process, 2024 inputs were reconciled to align the basis of calculation and enable consistent disclosure.

	2024	2025
Energy Usage		
Indirect energy consumed in the form of purchased electricity, heating and cooling (MWh)	42,433.80*	42,664.72
Direct energy consumed from fuels (D & HSD) (MWh)	16,595.40*	14,649.46
Total energy consumed (MWh)	59,029.19*	57,314.18
Energy Intensity		
Total energy per air-conditioned floor area (MWh / m ²) (calculated as total energy ÷ air-conditioned area across hotels and GHLS)	0.31*	0.30
Energy Mix (as % of total energy)		
- Grid electricity (EWA utility supply)	72%	75%
- On-site fuel (LPG & HSD – non-renewable)	28%	25%
Renewable vs Non-Renewable		
Renewable energy	0%	0%
Non-renewable energy	100%	100%

Note: Figures marked with (*) represent restated 2024 values following internal reconciliation of engineering and utility records.

GHG Emissions and Intensity

The Group monitors greenhouse gas (GHG) emissions to assess environmental impact and support energy-efficiency and emissions-reduction initiatives. Emissions are reported in kilograms of carbon dioxide equivalent (kgCO₂e).

The emissions boundary includes Scope 1 (direct) emissions from fuel consumption in assets owned or controlled by the Group and Scope 2 (indirect) emissions from purchased electricity. Scope 3 emissions are not currently included within the Group's reporting boundary. GHG emissions are calculated using fuel and electricity consumption data and relevant emission factors through a spreadsheet-based calculation model. Emissions intensity is calculated as total annual kgCO₂e divided by the selected scaling factor (air-conditioned floor area).

As part of the 2025 reporting process, 2024 inputs were reconciled to align the basis of calculation and enable consistent disclosure.

	2024	2025
Scope 1 - Direct emissions (fuel consumed in owned/controlled operations) (kgCO ₂ e)	3,603,033.73*	3,176,629.52
Scope 2 – Indirect emissions (purchased / acquired electricity, heating, cooling and steam) (kgCO ₂ e)	18,726,653.01*	18,822,188.21
Scope 3 – Other indirect emissions	Not applicable	Not applicable
Total GHG Emissions (Annual) (kgCO₂e)	22,329,686.74*	21,998,817.73
GHG emissions intensity (kgCO ₂ e/m ²) (Total kgCO ₂ e ÷ air-conditioned floor area)	118.37*	116.62

Note: Figures marked with (*) represent restated 2024 values following internal reconciliation of engineering and utility records.

Climate Risk Mitigation

As part of its climate risk mitigation efforts, the Group made a significant investment in upgrading and renovating the Building Management System (BMS) at its flagship property, Gulf Hotel Bahrain. The upgraded BMS enhances monitoring and automated control of HVAC and other key building systems, supporting more efficient operations and improved energy management. Based on internal estimates, the upgrade is expected to deliver approximately a 20% reduction in the property's electricity consumption, which would in turn reduce the Group's associated carbon footprint.

	2024	2025
Amount invested in climate-related issues (BD)	0	425,000

Water

Water data is derived primarily from utility records and property-level operational monitoring and reflects use in core hospitality activities, including guest facilities, food and beverage operations, laundry services and leisure amenities. Reverse Osmosis (RO) treatment is used at Crowne Plaza Bahrain and, during 2025, the Gulf Hotel Complex also commenced on-site RO production. These RO systems enhance water quality, reduce equipment scaling and chemical usage, and support more efficient water use across hotel operations. In 2025, reported water consumption and withdrawal increased, reflecting expanded operational coverage and higher activity in water-intensive services. We anticipate that that the RO initiatives will translate into reduced water losses, lower chemical usage and associated cost savings in 2026.

As part of the 2025 reporting process, 2024 inputs were reconciled to align the basis of calculation and enable consistent disclosure across our portfolio.

	2024	2025
Total water consumption (cubic meters)	580,713.00*	591,229.49
Total water withdrawal (cubic meters)	566,567.00*	786,463.00
Total water recycled/reclaimed (cubic meters)	0	0

Note: Figures marked with (*) represent restated 2024 values following internal reconciliation of engineering and utility records.

Waste

Waste management is a key operational priority for the Group, given the nature of hospitality and food and beverage operations. The Group's main waste streams include food waste, packaging materials (including plastic, paper and cardboard), and general non-hazardous operational waste generated across hotels, restaurants, catering and back-of-house areas.

The Group applies waste disposal methods through approved service providers, including collection, segregation where available, and responsible disposal in accordance with applicable local requirements. In parallel, the Group continues to strengthen sustainable waste management practices focused on waste prevention and reduction, alongside recycling and diversion initiatives to reduce the volume of waste sent to disposal.

Waste prevention and reduction

During 2025, the Group enhanced waste reduction controls within food and beverage operations through the rollout of digital and technology-enabled systems, including Winnow, an AI-enabled food waste monitoring tool which has demonstrated reductions in food waste and is being expanded across outlets, and Jolt, a digital checklist and monitoring platform that supports operational compliance and contributes to waste reduction by improving temperature control and reducing reliance on paper-based checklists. These systems have been implemented in Gulf Hotel Bahrain and support a more data-driven and preventive approach to waste management, strengthening monitoring, accountability and continuous improvement across food and beverage operations. Since Winnow's implementation, dashboard insights indicate an overall improvement in measured food waste intensity, with grams of waste per cover decreasing from 106.19 grams (August) to 56.58 grams (December), and waste as a percentage of sales reducing from 1.66% (August) to 1.05% (December). The Group expects further improvement as Winnow is expanded across additional outlets.

Waste prevention and reduction (Continued)

The Group also continues to reduce single-use materials and packaging through initiatives such as transitioning toward more sustainable takeaway packaging, expanding the use of QR-code and digital menus, and implementing property-level initiatives to reduce single-use plastics and unnecessary packaging where feasible.

In addition to source reduction, the Group diverts surplus edible food through donations in collaboration with the Conserving Bounties Society, supporting community needs while reducing food waste.

Recycling, segregation and diversion

Across the portfolio, properties implement recycling and segregation practices suited to their operations and local service-provider arrangements.

In Bahrain, the Group partners with Masar (Bahrain Contract Cleaning W.L.L.) to support a structured waste-management and recycling program at Gulf Hotel Bahrain and Gulf Executive Residence Juffair. Through this program, materials such as paper, plastic, and e-waste are collected and processed responsibly through approved channels, supporting improved segregation and recycling outcomes at these properties.

At Crowne Plaza Bahrain, a structured segregation system is in place to separate key waste streams, including cardboard and polythene packaging, organic food waste and used cooking oil. Recyclable packaging materials are collected through licensed waste-management companies, organic food waste is processed through on-site composting to convert food scraps and green waste into usable fertilizer, and used cooking oil is collected through approved recycling partners. The hotel also launched the “Turn Waste into Wheels” initiative with the Bahrain Association for Parents and Friends of the Disabled, recycling plastic bottles collected across the hotel to support the purchase of wheelchairs for people with disabilities.

At Gulf Brands International, cardboard and plastics represent the primary bulk waste streams and are collected and recycled through Nidukki Trading Co. W.L.L.

In Dubai, Grand Mercure Business Bay implements separate collection streams for paper, plastic, glass, and used cooking oil, supporting recycling through approved channels. The property also partnered with Diversey on the collection of used soap for recycling and reuse initiatives, supporting waste reduction and responsible resource management.

Other property-level initiatives during the year included packaging substitutions and guest-facing single-use reduction measures, where feasible, at Gulf Hotel Bahrain and Novotel Bahrain Al Dana Resort, as part of the Group’s broader effort to reduce plastic and packaging waste. Gulf Hotel Bahrain also continued donation practices for certain unclaimed non-valuable lost-and-found items to charitable organizations, supporting reuse and diversion from disposal channels.

Future waste reduction initiatives

As part of the Group’s longer-term waste reduction roadmap, the Group is assessing the feasibility of establishing a Water Purification and Glass Bottling Plant at Gulf Hotel Bahrain to serve the wider portfolio. If implemented, this initiative would reduce reliance on single-use plastic bottles by introducing a reusable glass-bottling alternative across the Group’s operations, supporting waste reduction and broader sustainability objectives.

	2024	2025
Total hazardous waste generated (metric tons)	Unavailable	0.20
Total non-hazardous waste generated (metric tons)	Unavailable	2,866.24
Total waste generated (metric tons)	Unavailable	2,866.44

Social

At Gulf Hotels Group, our people and the communities we serve are central to long-term resilience and sustainable performance. As a people-driven business, we place strong emphasis on creating a workplace where employees feel supported, valued and equipped to deliver high service standards while growing professionally.

Our social approach focuses on fostering an inclusive and respectful environment, developing local talent and maintaining robust standards of health, safety and well-being. We promote equal opportunity and support nationalization efforts by creating pathways for Bahraini talent across operational and leadership roles. These priorities are underpinned by policies and practices relating to non-discrimination, human rights and workplace safety, which guide how we engage with employees, contractors and partners, and shape our day-to-day decision-making.

Talent development remains a key pillar of our social agenda. During the year, the Group continued to strengthen its talent pipeline through structured development initiatives, including the onboarding of a new cohort of Al Mostaqbal management trainees and the continuation of the Group’s Summer Internship Program, supporting practical exposure and career readiness for aspiring Bahraini talent. This focus on employee experience and organizational development was further reinforced by the Group achieving “Best Places to Work” certification in 2025, as the first hospitality company in Bahrain to receive this recognition, and being ranked #20 in the Top Workplaces in the Middle East 2025 listing. In addition, the Group’s flagship development program Al Mostaqbal was recognized as the winner of “Best Graduate Development Program” at the HRM Summit Awards (2023–24), and the Group was recognized as a category winner for the Best Summer Internship Program at the Bahrain HRM Summit Awards 2025.

The Group’s focus on employee well-being, engagement and development is further supported through participation in recognized workplace initiatives and certifications. These programs provide structured feedback mechanisms, independent assessment and benchmarking of employee experience, leadership practices and workplace culture. They help the Group better understand workforce priorities and the practical actions required to strengthen the workplace environment.

Beyond the workplace, the Group supports community well-being through targeted initiatives, partnerships and volunteering activities that align with local priorities. To strengthen this area, the Group has introduced a new Group Corporate Social Responsibility Policy, setting clearer focus areas, governance and implementation principles for community engagement across the portfolio. The framework aligns CSR initiatives to defined pillars that reflect the Group’s community priorities: health, disabilities and special needs; community welfare and wider social goals; nature and the environment; art, culture, events and sports; and education and research. Together, these actions reflect the Group’s approach to social responsibility, with continued emphasis on employee development, workplace culture and meaningful community contribution.

Workforce data presented in this section reflects the position as at 31 December 2025 as headcount and composition may fluctuate during the year due to seasonal operations, training programs and operational requirements. Furthermore, during the 2025 reporting process, an internal reconciliation of historical HR records enabled the Group to validate and include certain 2024 workforce-distribution breakdowns that were previously unavailable. The 2024 figures have therefore been added into this report for completeness.

Nationalization

The Board and senior management view nationalization as a strategic priority and a core component of the Group’s social responsibility and long-term workforce sustainability. In line with Bahrain’s labour regulations and national employment policies, and consistent with the objectives of Bahrain Economic Vision 2030, the Group remains committed to achieving and sustaining the highest possible localization levels by increasing the participation of Bahraini nationals across its operations and developing local talent for both operational and leadership roles within the hospitality sector.

During the reporting period, the Group maintained its focus on targeted recruitment, structured training and clear career development pathways to support the progression and retention of Bahraini employees. Core initiatives such as the Al Mostaqbal Management Development Program and the Summer Internship Program continued to play a key role in building a sustainable national talent pipeline and supporting both entry-level nationalization and longer-term succession planning.

Nationalization (Continued)

In recognition of these efforts, Gulf Hotels Group was named among the top 100 institutions recognised and thanked by His Royal Highness the Crown Prince and Prime Minister in 2025 for its contribution to employing Bahraini nationals, reflecting the Group's alignment with the Kingdom's national employment priorities and its effective collaboration between the public and private sectors.

	2024	2025
Total number of employees	1042	997
Nationals among total employees	191	188
Bahrainization Rate	18.33%	18.85%

Note: Figures reflect permanent employees as at 31 December and exclude interns/trainees.

Gender Equality and Diversity

The Board and senior management prioritize gender equality and diversity as part of building an inclusive workplace where employees have equal opportunities to grow and succeed. The Group supports fair recruitment and career progression across all levels.

Notably, while women represented 21.85% of the workforce in 2025, approximately 47% of female employees were in middle or senior/executive management roles, reflecting the Group's workforce structure and role distribution.

	2024	2025
Men	78.03%	78.15%
Women	21.97%	21.85%
Senior / Executive Management		
Men	84.78%*	87.22%
Women	15.22%*	12.78%
Middle Management		
Men	75.00%*	71.70%
Women	25.00%*	28.30%
Entry/Staff-Level		
Men	79.17%*	81.10%
Women	20.83%*	18.90%

Note: Percentages calculated as at 31 December 2025. Where applicable, 2024 figures (*) have been validated during the 2025 reporting process and included for completeness.

	2024	2025
Compensation Ratio (median male to median female)	1.016	1.163

Workforce by Age Group

The Group acknowledges that understanding the age profile of employees enables management to assess long-term skills sustainability, leadership pipeline and the balance between experienced professionals and emerging talent. Particular emphasis is placed on developing young Bahraini talent as part of its long-term nationalization and leadership pipeline. Initiatives such as the AI Mostaqbal management development program and the Summer Internship Program are designed to attract, develop and retain younger professionals in the hospitality sector, contributing to a more sustainable and future-ready workforce over time.

Workforce by Age Group (Continued)

While age-based workforce data was not reported in 2024, enhanced HR data collection and reporting processes implemented in 2025 now allow the Group to disclose workforce distribution by age group in line with regulatory disclosure requirements.

Age Group	2024	2025
Under 30 years	33.98%*	35.40%
30-50 years	57.10%*	57.25%
Over 50 years	8.92%*	7.35%

Note: Percentages calculated based on total workforce as at 31 December 2025. 2024 figures (*) have been validated during the 2025 reporting process and included for completeness.

Workforce by Employment Type

The Group's workforce structure reflects the operational requirements of the hospitality sector and includes a mix of full-time employees and interns/trainees engaged under full-time fixed-term employment contracts.

Employment Type	2024	2025
Full Time	89.00%	93.88%
Interns / Trainees	11.00%	6.12%

Note: Percentages calculated based on total workforce as at 31 December 2025.

Training and Development

The Group places strong emphasis on continuous learning and capability development, and provides structured training across operational, technical and leadership areas, covering customer service, health and safety, food safety, information security, digital skills and management development. Training delivery combines in-person programmes, property-level coaching and digital learning platforms, including brand-based systems and the Group's Learning Management System, ensuring that employees across all properties have access to consistent development opportunities.

In parallel, leadership and talent-pipeline initiatives such as the AI Mostaqbal Management Development Program and the Summer Internship Program continue to play a key role in building future hospitality leaders and supporting Bahrainization objectives, with further details provided under Community Initiatives and Nationalization. However, the training hours reported for 2025 excluded these programs.

Employee Training	2024	2025
Total employees trained	1189	1091
Total training courses	1568	1439
Total training hours	311,341	274,346
Average training hours per full time employee (per annum)		113.235
Average training hours per intern/trainee (per annum)	262	1,305.62
Average training hours per male employee (per annum)		250.32
Average training hours per female employee (per annum)		250.32

Employee Turnover

The Group monitors employee turnover (voluntary and involuntary) across its full-time workforce to support workforce planning and retention initiatives. Given the Group's multi-property operations, employee movement reflects a range of operational and labor-market factors.

In 2025, the Group's year-end full-time headcount increased from 1,042 to 1,062, while overall turnover improved, with the turnover rate decreasing from 32% (2024) to 26% (2025). Total leavers declined from 370 to 258, indicating stronger retention and improved workforce stability.

	2024	2025
Total Full-Time Employee (year-end)	1042	1062
New Hires		
Full Time Employees	471	329
Part Time Employees	0	0
Trainees / Interns	118	65
Leavers		
Total Leavers	370	258
Voluntary Leavers	321	235
Involuntary Leavers	49	23
Percentage of Leavers		
Male	73.78%*	72.86%
Female	26.22%*	27.14%
Under 30 years	49.19%*	57.00%
30-50 years	43.78%*	36.80%
Over 50 years	7.03%*	6.20%

Note: Figures reflect permanent employees as at 31 December and include interns/trainees. Where applicable, 2024 figures () have been validated during the 2025 reporting process and included for completeness.*

	2024	2025
Turnover Rate	32%	26%

Non-Discrimination

The Group maintains a zero-tolerance approach to harassment and discrimination and considers a respectful workplace essential to employee well-being and effective operations. The Group's approach is guided by applicable Bahrain labour laws and relevant internal governance requirements, and is implemented through clear standards of conduct, awareness measures, and defined reporting and response processes.

Employees are encouraged to raise concerns through established reporting channels, and matters are handled in a structured manner with appropriate confidentiality, review and escalation. These measures are supported through ongoing communication and training, helping to reinforce expected workplace behaviours and maintain a safe, inclusive and professional environment across all properties and operations.

Health and Safety, and Injury Rate

Protecting the health and safety of employees, guests, contractors and visitors remains a core operational priority for the Group, particularly given the 24/7 nature of hospitality operations and the variety of front-of-house and back-of-house roles. Occupational health and safety is managed through property-level systems aligned with applicable Bahrain labour requirements, brand standards and internal policies, and is designed to identify, assess and mitigate workplace risks.

Key measures include workplace risk assessments, preventive maintenance programmes, safe work procedures, provision of appropriate personal protective equipment, emergency preparedness and response plans, and mandatory training and awareness programmes. Implementation is supported through defined roles and responsibilities, contractor management practices, routine inspections and internal reviews, incident and near-miss reporting, and corrective action tracking, with findings reviewed by management to drive continuous improvement.

Health and safety performance is monitored through incident reporting, management review and regulatory reporting, with injuries and work-related incidents tracked to identify trends and areas for improvement.

	2024	2025
Total number of fatalities	0	0
Total number of work-related injuries	13	12
Lost days due to work injury	74	69

Employee Engagement Initiatives

Employee engagement remains an important part of the Group's social approach, supporting workplace well-being, awareness and a positive organisational culture across properties. During 2025, employee-focused initiatives were implemented to encourage health awareness, team connection and participation in national and global awareness moments.

Across properties in Bahrain and Dubai, employee engagement activities included awareness initiatives such as Movember, Pink October, Bahrain Sports Day, Earth Hour and World Mental Health Day, alongside health and well-being sessions delivered in collaboration with healthcare providers. In Dubai, additional screenings and awareness activities were conducted, including breast awareness sessions and employee eye check-ups. The Group also organized employee recognition and social activities throughout the year, such as Ghabga gatherings, Christmas dinners, and other staff celebrations, to recognize employee contributions and support team building. Where needed, the Group provided targeted health and financial support to employees on a case-by-case basis.

The Group also supports engagement through regular communication and development channels, including town halls, employee feedback, and access to structured learning through the Group's training platforms and on-site learning facilities. Career development programmes and internal succession planning also continue to support employee growth pathways and talent retention across key functions.

In 2025, the Group conducted an employee engagement survey to assess workplace experience and identify improvement opportunities across properties. Based on employee feedback, practical enhancements were implemented to support employee well-being and day-to-day working conditions, including adjustments to scheduling and rest arrangements and improvements to staff facilities and amenities.

Community Initiatives

The Group continues to support the communities where it operates through a combination of talent development, charitable partnerships, social initiatives, and employee-led engagement. Community activities focus on building skills, supporting vulnerable groups, promoting health and well-being, and contributing to national development priorities in Bahrain.

	2024	2025
Amount of Community Contributions (in Bahrain)	47,185.150	68,171.965

Community Initiatives (Continued)

1. Hospitality and Training Development

Developing future hospitality talent remains a core part of the Group's community engagement. During 2025, the Group successfully concluded the second edition of its Summer Internship Program, providing 38 Bahraini students with hands-on experience across hotel operations across the Group's hotel portfolio.

The Group also continues to invest in long-term leadership development through the Al Mostaqbal Management Development Program, which provides full scholarships for a degree in Hospitality Management combined with structured practical training, and (upon successful completion) participants are offered a managerial role within the Group. In 2025, the Group inducted a new cohort of 10 Al Mostaqbal Management Trainees, reinforcing its long-term commitment to developing Bahraini hospitality leaders. In addition, the Group has renewed its engagement with Vatel School and Lycée Français International de Bahreïn, to provide students with further exposure to hospitality operations across our hotel portfolio.

2. Charitable Partnerships and Donations

The Group supports a wide range of charitable and humanitarian initiatives through both cash and in-kind contributions, including hosting and supporting community events through our operations. Support covers causes such as healthcare, social welfare, disability inclusion and education, and during the reporting period included collaboration with organizations such as the Royal Humanitarian Foundation, Bahrain Zakat Fund, Bahrain Down Syndrome Society, Bahrain Association for Intellectual Disability and Autism, Bahrain Deaf Sports Federation and the Bahrain Philanthropic Society, among others.

In 2025, charitable partnerships and donations included the following initiatives and collaborations:

1. Supporting the Royal Humanitarian Foundation "Back to School" programme through hosting and logistical support, reaching approximately 300 children and their mothers through educational and awareness sessions focused on school readiness, health and life skills.
2. Supporting children with cancer and their families through community engagement and awareness initiatives delivered in collaboration with the Smile Initiative (Bahrain Future Society for Youth).
3. Supporting community and national initiatives through sponsorship and in-kind contributions to public programmes such as Mara'ee Bahrain, including provision of beverages, service staff and event support as required.
4. Contributing to "Giving for Good" community support activities delivered in collaboration with the Tree of Life Charity Society and KAAF Humanitarian.
5. Supporting education-focused initiatives through contributions such as donating school essentials in coordination with Almabarrah Al-Khalifia Foundation.
6. Supporting reuse and community benefit through the donation of certain unclaimed non-valuable lost-and-found items (after the relevant holding period) to local charitable organisations including Muharraq Society for Charitable Work, Ahllobayt Charity and Wareef Charity.
7. Delivering disability-support initiatives through the "Turn Waste into Wheels" programme with the Bahrain Association for Parents and Friends of the Disabled (BAPFD), under which plastic bottles are collected for recycling and proceeds contribute toward the purchase of wheelchairs.
8. Supporting national health initiatives through blood donation campaigns and related community health programmes, including participation recognised by the Royal Medical Services Blood Bank.
9. Participating in Bahrain Cancer Society activities, including sponsorships, walkathon participation and awareness support.
10. Supporting CSR programmes in Dubai through practical initiatives including food donation activities, linen and clothing donations to charities, used-soap collection for recycling/reuse programmes, and participation in blood donation campaigns in coordination with the Dubai Health Authority (DHA).

Community Initiatives (Continued)

3. Food Donation Bank

The Group continues its partnership with the Conserving Bounties Society, Bahrain's food bank, to support responsible food management and community assistance. During Ramadan and other large events, surplus edible food is coordinated for donation at the end of each day, enabling safe collection, packaging and redistribution to individuals and families in need.

Child & Forced Labor

The Group maintains a zero-tolerance approach to child labour and forced labour. Practices are guided by applicable Bahrain labour laws and internal policies that prohibit underage employment, forced labour and any form of coercion across our operations.

These requirements are embedded in recruitment and employment procedures, including verification of employee documentation. Responsibility for implementation within the Group sits with the Human Resources function and management at Group and property level. Any concerns identified are addressed through internal escalation and corrective action processes, with material issues reported to management.

Human Rights

Human rights expectations are reflected in the Group's Code of Conduct and Employee Handbook, which support equal opportunity, non-discrimination and a respectful workplace. The Group views respect for human rights as a core principle of responsible business and workplace culture.

The Group's approach is guided by applicable Bahrain laws and regulations, and is implemented through internal standards that promote fair treatment, dignity and respect across our operations. Employees are encouraged to raise concerns through the Group's confidential whistleblowing mechanism, which is designed to enable reporting without retaliation.

Governance

Strong corporate governance remains a cornerstone of Gulf Hotels Group's approach to responsible and sustainable business. The Group is committed to maintaining governance structures that support effective oversight, accountability, transparency and sound decision-making across all levels of the organization.

The Group's governance framework is aligned with the High-Level Control Modules of the Central Bank of Bahrain (CBB) Rulebook, the Corporate Governance Code issued by the Ministry of Industry and Commerce, and the Bahrain Commercial Companies Law, together with its implementing regulations and directives. These frameworks guide the composition, roles and responsibilities of the Board of Directors and management, and underpin the Group's operations.

Oversight of the Group is exercised by the Board of Directors, which is supported by Board committees established to enhance focus, independence and effectiveness in key areas, including audit, executive, and nomination, remuneration and corporate governance.

While the Group submits an annual standalone Corporate Governance Report, this ESG report presents selected governance disclosures and highlights relevant to environmental, social and governance considerations, in line with Bahrain Bourse guidelines and Central Bank of Bahrain requirements.

Board of Directors' Composition, Diversity and Independence

While there were changes to the members of the Board of Directors during 2025, the Board's size and independence profile remained unchanged. The Board continues to be composed entirely of non-executive directors, with independent representation maintained at 35%, supporting objective oversight, sound governance and balanced decision-making. Female representation remains at 18%, and the current Board tenure runs until March 2027.

	2024	2025
Board of Directors		
Total Directors	11	11
By Gender		
Men	9	9
Women	2	2
By Representation		
Elected	7	7
Appointed	4	4
By independence		
Non-Executive	11	11
Independent	4	4

Supplier Code of Conduct

During 2025, the Group continued to strengthen responsible procurement practices by setting clear expectations for suppliers under its Supplier Code of Conduct. Supplier requirements are communicated through standard onboarding and contracting processes and are supported by internal controls intended to promote transparency, integrity and consistency in supplier engagement.

Conflict of Interest

The Group is committed to ensuring compliance with all applicable requirements under the Central Bank of Bahrain Rulebook, Bahrain Bourse rules and the Corporate Governance Code relating to conflicts of interest and related-party disclosures. Directors and relevant senior management provide annual declarations of interests and update them as required, including cross-board memberships and any relationships that may give rise to a conflict. Where applicable, competitive directorships are disclosed to shareholders at the annual general meeting, and directors are required to abstain from discussions and decisions where a conflict of interest does or may exist. The Group's controlling shareholders, and any changes thereto, are also published on the Bahrain Bourse website in accordance with regulatory requirements.

Potential conflicts are also managed through operational controls, including transparent procurement and tendering practices and a Know Your Supplier (KYS) process under which suppliers and service providers disclose any potential conflicts of interest. These disclosures are reviewed and maintained within the Group's vendor records to support integrity and transparency. Related parties, and any related-party transactions (including their nature, value and outstanding balances), are disclosed in the Group's audited financial statements and Corporate Governance Report in line with applicable laws, accounting standards and regulatory requirements.

Collective Bargaining

The Group operates in accordance with Bahrain Labour Law and applicable employment regulations governing employee representation and labour relations. The Group has an employee trade union, and engagement with employee representatives forms part of its broader employee relations approach. No collective bargaining agreements were in force during the reporting period and, accordingly, no employees were covered by collective bargaining agreements as at 31 December 2025. Employment terms, including compensation, benefits, working hours, leave entitlements and occupational health and safety standards, are established and managed by the Human Resources function in line with applicable law and internal policies.

Whistleblowing

The Group maintains formal mechanisms in its Whistleblower Policy to enable employees and other stakeholders to raise concerns about misconduct or unethical behaviour in a safe and structured manner. The Group also promotes awareness of whistleblowing arrangements through its internal policies, employee communications and induction processes, helping to ensure that employees understand how to raise concerns and the protections available to them. Concerns may be raised through internal reporting channels, including designated members of senior management and the Audit Committee. Reports may be submitted verbally or in writing, and are handled confidentially and in accordance with defined investigation and escalation procedures. Where appropriate, matters are reviewed by the Audit Committee to ensure independence and oversight.

Ethics and Anti-Corruption

The Board and management maintain a zero-tolerance policy toward corruption, bribery, and unethical business practices, and are committed to conducting all business activities with integrity, transparency and in full compliance with applicable laws and regulatory requirements. The Group's ethics and anti-corruption policies are set out in its HR Manual, which applies to all employees. Employees are required to acknowledge and comply with the policy as part of their employment documentation and internal compliance processes.

Data Privacy and Protection

The Group recognizes the importance of protecting the personal data of its guests, employees and business partners. The Group's Privacy Policy governs how personal data is collected, processed, stored and shared across its operations, and is designed to align with applicable legal and regulatory requirements. In line with Bahrain's Personal Data Protection Law (PDPL), the Group has taken steps to strengthen its data-protection framework, including the appointment and training of a Data Protection Guardian (DPG) to oversee compliance and act as a central point of accountability. In addition, key systems and platforms used across the Group support data-security and privacy controls, including those implemented through brand partners such as Marriott and Accor at selected properties.

Employee awareness and capability are an important part of this framework. Relevant staff are undergoing PDPL awareness and compliance training to ensure that personal data is handled responsibly and in accordance with regulatory requirements.

KPIs	2024	2025
Number of data privacy violations reported during the period	0	0

Corporate Governance

Corporate Governance

The Board of Directors (the 'Board') is accountable to shareholders for the proper and prudent investment and preservation of shareholder interest.

The board's role and responsibilities include but are not limited to:

- Monitoring the overall business performance,
- Monitoring management performance and succession plan for senior management,
- Monitoring conflicts of interest and preventing improper related party transactions,
- Accurate preparation of the quarterly and year-end financial statements,
- Convening and preparing the shareholders meeting,
- Recommending the dividend payable to the shareholders and ensure its execution,
- Adapting, implementing, and monitoring compliance with the company's code of ethics,
- Reviewing the company's objectives and policies relating to social responsibilities,
- Selecting, interviewing, and appointing the Chief Executive Officer and other selected members of the executive management.

In this respect, the directors remain individually and collectively responsible for performing all Board of Director's tasks

Material transaction requiring Board approval

The following material transactions require Board review, evaluation, and approval:

- The company strategy,
- The annual budget,
- Major resource allocations and capital investments, and
- Management responsibilities, training and development, and succession plan for senior management.

1. BOARD, BOARD MEMBERS AND MANAGEMENT

The Board consists of 11 members as of 31 December 2025 (2024: 11 members). The Board has been elected on 25 March 2024 for a period of 3 years. The following table provides information about the profession, position, experience, and qualifications of the current members of the Board of Directors:

Name of Board Member	Profession	Business Title
Mr. Fawzi Kanoo	Businessman	Chairman
Mrs. Hala Almoayyed	Businesswomen	Vice Chairman
Mr. Mohamed Buzizi	Ex Managing Director and Businessman Consultant in Hospitality Industry	Director
Mr. Adel Maskati	Businessman	Director
Mr. Jassim Abdulaal	Chartered Accountant	Director
Mrs. Zain Alamer	Director	Director
Mr. Andrew Day	Consultant	Director
Mr. Fahad Kanoo	Businessman	Director
Mr. Husain Alshehab	Businessman	Director
Mrs. Suha Karzoon (Joined February 2025)	Managing Director	Director
Mr. Mohamed Ahmadi (Joined February 2025)	Senior Director	Director
Mr. Hesham Khonji (Left February 2025)	Senior Director	Director
Mr. Nasser Aljalalma (Left February 2025)	Associate Director	Director

Corporate Governance (Continued)

For the year ended 31 December 2025

1. BOARD, BOARD MEMBERS AND MANAGEMENT (Continued)

Executive / Non-Executive Independent / Non-Independent	Experience in years	Start date	Qualification
Non-Executive / Non-Independent	55	1991	Bachelor of Science in Business Administration, Southwest Texas State University, U.S.A.
Non-Executive / Non-Independent	25	2024	Bachelor's Degree in Business Administration from Georgetown University.
Non-Executive / Independent	57	2007	Higher National Diploma in Hospitality & Hotel Management, UK
Non-Executive / Independent	46	2016	Masters Degree in Engineering.
Non-Executive / Independent	35	2010	Chartered Accountant in England and Wales (ICAEW).
Non-Executive/ Non-independent	16	2023	Bachelor's Degree in International Economics with minors in Global Communications and Information Communication Technologies.
Non-Executive / Independent	35	2021	HND, Business and finance & qualified pilot.
Non-Executive / Non-Independent	19	2024	Bachelor of Business Administration from American Intercontinental University, USA. EMBA from INSEAD Business School.
Non-Executive / Independent	22	2024	Bachelor's Degree in Mechanical Engineering and Master of International Business Management
Non-Executive/ Non-independent	25	2025	BSC Accounting. CPA.
Non-Executive/ Non-independent	19	2025	B.Comm (Finance)
Non-Executive/ Non-independent	23	2023	Bachelor's Degree in Computer Science from American University of Beirut. CFA Charterholder.
Non-Executive / Non-Independent	14	2024	Bachelor's Degree in Science and a Master of Business Administration in Finance from Bentley University.

Election system of directors and termination process

Election / re-election of Board members takes place every three years at the meeting of the shareholders.

Termination of a Board member occurs either upon expiry of the term, dismissal by shareholders, or resignation.

Director's trading of Company shares

During 2025, the Company's directors (and their spouse and children) traded a total of 1,141,228 Gulf Hotels Group shares (2024: 61,924).

Code of Conduct and procedures adopted by the Board for monitoring compliance

During the year ended 31 December 2025, the Company continued to apply the principles of the Corporate Governance Code in a manner appropriate to the nature and scale of its operations. The Board maintained oversight of the Company's governance framework and monitored the effectiveness of Board and committee processes through regular meetings and reporting. Key governance policies and procedures were maintained and reviewed where appropriate to remain aligned with applicable requirements. Regular Board Committee meetings are held, and an annual evaluation is undertaken.

The Board and all Company employees are expected to maintain the highest standards of ethical conduct and professional behavior. The Company has implemented a set of governance policies and procedures intended to support ethical and compliant business practices, and these are reviewed and strengthened on an ongoing basis. The Board of Directors has adopted and maintained key policies, including a Key Persons Policy and a Whistle-Blower Policy, to support oversight and accountability. Additional internal guidance is communicated to employees as appropriate to promote consistent standards of conduct across the business.

Corporate Governance (Continued)

For the year ended 31 December 2025

1. BOARD, BOARD MEMBERS AND MANAGEMENT (Continued)

The following Board members also held directorships on the boards of other listed companies:

Name of Board Member	Number of Directorship in Listed companies
Mr. Fawzi Kanoo	1
Mrs. Hala Almoayyed	1
Mr. Mohamed Buzizi	-
Mr. Adel Maskati	-
Mr. Jassim Abdulaal	-
Mrs. Zain Alamer	1
Mr. Andrew Day	-
Mr. Fahad Kanoo	-
Mr. Husain Alshehab	2
Mrs. Suha Karzoon (Joined February 2025)	-
Mr. Mohamed Ahmadi (Joined February 2025)	1
Mr. Hesham Khonji (Left February 2025)	-
Mr. Nasser Aljalalma (Left February 2025)	-

The company should hold a minimum of 4 Board meetings during each year. During the year ended 31 December 2025, 4 Board meetings were held. The following table summarizes the information about Board of Directors meeting dates and attendance of directors at each meeting.

Name of Director	25 th Feb 2025	13 th May 2025	12 th Aug 2025	12 th Nov 2025
Mr. Fawzi Kanoo	✓	✓	✓	✓
Mrs. Hala Almoayyed	✓	✓	✓	✓
Mr. Andrew Day	✓	✓	✓	✓
Mr. Fahad Kanoo	✓	✓	✓	✓
Mr. Mohamed Buzizi	✓	✓	✓	✓
Mr. Adel Maskati	✓	✓	✓	✓
Mr. Jassim Abdulaal	✓	✓	✓	✓
Mrs. Zain Alamer	✓	✓	✓	✓
Mr. Husain Alshehab	✓	✓	✓	(Partial)
Mrs. Suha Karzoon (Joined February 2025)	✓	✓	✓	✓
Mr. Mohamed Ahmadi (Joined February 2025)	✓	✓	✓	✓

The total basic sitting fees paid to the Board during the year amounted to BD 84,900 (2024: BD 83,400).

Corporate Governance (Continued)

For the year ended 31 December 2025

1. BOARD, BOARD MEMBERS AND MANAGEMENT (Continued)

The following table summarizes the information about the profession, business title, experience in years and the qualifications of each of the 6 Key Executive Officers:

Name	Designation	Profession	Business Title	Experience in years	Qualification
Mr. Ahmed Janahi	Group Chief Executive Officer	Administration	GCEO	26	Bachelor's degree in chemical engineering and MBA, with honors from University of Strathclyde, Glasgow.
Mr. Mohamed Al Kayed	Deputy Chief Executive Officer	Administration	Former DCEO	14	B.Sc. in Accounting, PMI
Mr. Mohamed Algharbi	Chief Financial Officer	Finance	CFO	14	B.Sc. (Hons) in Accounting and Finance from Swansea University, United Kingdom and is a Fellow Member of Association of Chartered Certified Accountants
Mr. Shaheed Elaiwi	DFCSA	Finance	DFCSA	34	Master's in commerce from Bhopal University and B.com from Delhi University.
Mr. Amit Puri	Director of Human Resources & Development	HR	HRD	25	Diploma in Hotel Management & Catering Technology, NCHMCT, India; Advanced Human Resources Certification – IIM Ahmedabad, India;
Mr. Ganesan Lakshmanan	Director of Technical Services	Engineering	TSD	36	M. Tech in Energy System and a B. Tech in mechanical Engineering

The total remuneration paid to the 6 key executive officers during the year is BD 567,141 (2024: BD 469,092) (Salaries, Indemnity and Bonus).

2. COMMITTEES

The following table summarizes the information about Board Committees, their members, and objectives:

Board Committee	Objective	Members	Executive/Non-executive Independent/Non-Independent
Executive Committee	Reviews, approves, and directs the Executive Management on matters raised by the Board of Directors such as various policies, business plans.	Mrs. Hala Almoayyed Mr. Mohamed Buzizi Mr. Fahad Kanoo Mrs. Zain Alamer Mrs. Suha Karzoon Mr. Mohamed Ahmadi Mr. Fawzi Kanoo Mr. Hesham Khonji (Left February 2025)	Non-executive/Non-Independent Non-executive/ Independent Non-executive/ Non-Independent Non-executive/Non-Independent Non-executive/Non-Independent Non-executive /Non -independent Non-executive /Non -independent Non-executive /Non -independent

Corporate Governance (Continued)

For the year ended 31 December 2025

2. COMMITTEES (Continued)

During the year ended 31 December 2025, 5 Executive Committee meetings were held. The following table summarizes the information about committee meeting dates and the attendance of directors at each meeting:

Name	18 th Feb 2025	5 th May 2025	14 th July 2025	5 th Aug 2025	5 th Nov 2025
Mrs. Hala Almoayyed	X	✓	✓	✓	✓
Mr. Mohamed Buzizi	X	✓	✓	✓	✓
Mr. Fahad Kanoo	✓	✓	✓	✓	✓
Mrs. Zain Al Amer	✓	✓	✓	✓	✓
Mrs. Suha Karzoon	X	✓	✓	✓	✓
Mr. Mohamed Ahmadi	X	✓	✓	✓	✓
Mr. Fawzi Kanoo	✓	X	X	X	X
Mr. Hesham Khonji (Left February 2025)	✓	X	X	X	X

The sitting fees paid to Executive Committee members during 2025 is BD 11,600 (2024: BD 6,800)

Board Committee	Objective	Members	Executive/Non-executive Independent/Non-Independent
Audit Committee	Reviews the internal audit program and internal control system, considers major findings of internal audit reviews, investigations and management's response and external auditors	Mr. Jassim Abdulaal Mr. Adel Maskati Mr. Andrew Day Mrs. Suha Karzoon Mr. Nasser AlJalahma (Left February 2025)	Non-executive/Independent Non-executive/Independent Non-executive/Independent Non-executive/ Non-Independent Non-executive/ Non-Independent

The Group should hold a minimum of 4 Audit committee meetings during each year. During the year ended 31 December 2025, 4 Audit committee meetings were held. The following table summarizes the information about committee meetings dates and attendance of directors at each meeting:

Name	20 th Feb 2025	7 th May 2025	6 th Aug 2025	02 nd Nov 2025
Mr. Jassim Abdulaal	✓	✓	✓	✓
Mr. Adel Maskati	✓	✓	✓	✓
Mr. Andrew Day	✓	✓	✓	✓
Mrs. Suha Karzoon	X	✓	✓	✓
Mr. Nasser AlJalahma (Left February 2025)	✓	X	X	X

The sitting fees paid to Audit Committee members during 2025 is BD 6,000 (2024: BD 5,600).

Corporate Governance (Continued)

For the year ended 31 December 2025

2. COMMITTEES (Continued)

Board Committee	Objective	Members	Executive/Non-executive Independent/Non-Independent
Nomination, Remuneration and Corporate Governance (NRCG) Committee	Supports the Board on nominations, succession planning, remuneration, and corporate governance. The Committee reviews Board composition and effectiveness; recommends appointments, reappointments (and, where applicable, removals); reviews remuneration and incentive frameworks for the Board and Senior Management; and reports its recommendations to the Board	Mr. Fawzi Kanoo Mr. Mohammed Buzizi Mrs. Zain Alamer Mr. Mohamed Ahmadi Mr. Nasser Aljalalma (Left February 2025)	Non -Executive /Non -Independent Non -Executive /Independent Non -Executive /Non -Independent Non -Executive /Non -Independent Non -Executive /Non -Independent

The Group should hold a minimum of 2 NRCG meetings during each year. During the year ended December 2025, 2 NRCG meetings were held. The following table summarizes the information about committee meeting dates and attendance of directors at each meeting:

Name	17 th Feb 2025	30 th Oct 2025
Mr. Fawzi Kanoo	✓	✓
Mr. Mohammed Buzizi	x	✓
Mrs. Zain Alamer	✓	✓
Mr. Mohamed Ahmadi	x	✓
Mr. Nasser Aljalalma (Left February 2025)	✓	x

The sitting fees paid to NRCG Committee members during 2025 is BD 2,800 (2024: BD 3,200).

3. Corporate Governance

Corporate Governance code

The Board and the Company's employees are expected to maintain the highest level of corporate ethics and personal behavior. The Company has established a Code of Conduct, which provides an ethical and legal framework for all employees in conduct of its business. The Code of Conduct defines how the Company relates to its employees, shareholders and community in which the Company operates. The Board of Directors has adopted the code of Business Conduct and Company Whistleblower policy to monitor compliance with company ethics.

Changes to the Group's corporate governance guidelines

None.

Corporate Governance (Continued)

For the year ended 31 December 2025

3. Corporate Governance (Continued)

Compliance with the corporate governance code

The Board of Director has adopted the Corporate Governance Code and a Company Whistleblower policy to monitor compliance with company ethics.

The Code of Conduct provides clear directions on conducting business internationally, interacting with governments, communities, business partners and general workplace behavior having regard to the best practice corporate governance models. The Code of Conduct sets out a behavioral framework for all employees in the context of a wide range of ethical and legal issues. The Code of Conduct will be published in the "Corporate Governance" section of the Company's website.

Conflict of interest:

In 2025 and 2024, no instances of conflict of interest arose. In the event of a conflict of interest arises a result of any business transaction or any type of resolution to be taken, the concerned Board member shall refrain from participating in the discussion of such transaction or resolution to be taken. In this respect, GHG's Board members inform the Board of a potential conflict of interest prior to the discussion of any transaction or resolution. The concerned Board member(s) also refrain from voting where a conflict of interest shall arise.

Evaluation of Board and Chairman Performance

This is carried annually in accordance with the Corporate Governance Code.

CEO Performance

CEO performance is reviewed by the Board and is also considered by the NRCG Committee in accordance with the Corporate Governance Code.

Means of communication with shareholders and investors

The Company is committed to providing relevant and timely information to its shareholders in accordance with its continuous disclosure obligations under the Corporate Governance Code.

Information is communicated to shareholders through the distribution of the Company's annual report and other communications. All releases are posted on the Company's website and released to the shareholders in a timely manner.

The Board Secretary is responsible for communications with the shareholders and ensuring that the Company meets its continuous disclosure obligations.

Management of principal risks and uncertainties faced by the Group

The Board, together with management, periodically assesses the Company's risks and uncertainties. The Board discusses these risks and, where necessary, directs the adoption of appropriate measures.

Review of internal control processes and procedures

The review of Internal control processes and procedures is performed regularly by the Company's internal auditors to ensure effective and compliance.

CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

Contents

83	General Information
87	Independent Auditors' Report
90	Consolidated Statement of Financial Position
91	Consolidated Statement of Profit or Loss and Other Comprehensive Income
92	Consolidated Statement of Cash Flows
93	Consolidated Statement of Changes in Equity
94	Notes to the Consolidated Financial Statements

GENERAL INFORMATION

Gulf Hotels Group B.S.C. ("the Company") is a public joint stock company domiciled in the Kingdom of Bahrain and registered with the Ministry of Industry and Commerce under commercial registration (CR) number 950.

SHARE CAPITAL

Authorised	BD 30,000,000 (2023: BD 30,000,000) divided into 300,000,000 shares (2023: 300,000,000 shares) of 100 fils each
Issued and fully paid-up	BD 22,599,487 (2023: BD 22,599,487)

BOARD OF DIRECTORS

: Fawzi Kanoo
: Hala Almoayyed
: Andrew Day
: Fahad Kanoo
: Mohamed Buzizi
: Adel Almaskati
: Jassim Abdulaal
: Zain Al Amer
: Husain Alshehab
: Suha Karzoon (Joined Board February 2025)
: Mohamed Ahmadi (Joined Board February 2025)
: Hesham Khonji (Left Board February 2025)
: Nasser Aljalalma (Left Board February 2025)

EXECUTIVE MANAGEMENT

: Hala Almoayyed (Chairman as of 3 March 2025)
: Mohamed Jassim Buzizi
: Fahad Kanoo
: Zain Al Amer
: Suha Karzoon (Joined Committee 3 March 2025)
: Mohamed Ahmadi (Joined Committee 3 March 2025)
: Mr. Fawzi Kanoo (Left Committee 3 March 2025)
: Mr. Hesham Khonji (Left Board & Committee February 2025)

GENERAL INFORMATION (Continued)

AUDIT COMMITTEE

- : Jassim Abdulaal (Chairman)
- : Adel Almaskati
- : Andrew Day
- : Suha Karzoon (Joined Committee 3 March 2025)
- : Nasser Aljalahma (Left Board & Committee February 2025)

NOMINATION, REMUNERATION AND CORPORATE GOVERNANCE COMMITTEE

- : Fawzi Ahmed Kanoo (Chairman)
- : Mohamed Jassim Buzizi
- : Zain Al Amer
- : Mohamed Ahmadi (Joined Committee 3 March 2025)
- : Nasser Aljalahma (Left Board & Committee February 2025)

EXECUTIVE COMMITTEE

- : Ahmed Janahi – Group Chief Executive Officer
- : Mohamed AlGharbi – Chief Financial Officer

GENERAL INFORMATION (Continued)

BOARD'S SECRETARY

- : Reem Alrayes

HEAD OFFICE

- : Office 1001, Building 15
- : Road 3801, Block 338
- : P.O. Box 580
- : Manama, Kingdom of Bahrain
- : Telephone +973 1774 6446, Fax +973 1774 2820
- : www.gulfhotelsgroup.com
- : info@gulfhotelsgroup.com

BANKS

- : National Bank of Bahrain
- : Bank of Bahrain and Kuwait
- : Kuwait Finance House
- : National Bank of Kuwait
- : Standard Chartered Bank
- : Mashreq Bank - Bahrain
- : Mashreq Bank - Dubai
- : Emirates NBD - Dubai
- : Commercial Bank of Sri Lanka
- : SICO

AUDITORS

- : Ernst & Young
 - : P.O. Box 140, floor 14, The Tower, Sheraton Complex
-

GENERAL INFORMATION (Continued)

REGISTRARS

: Bahrain Clear B.S.C. (c)
Manama, Kingdom of Bahrain

LISTING

: Bahrain Bourse
P.O. Box 3203
Manama, Kingdom of Bahrain

PRINCIPAL LAWYERS

: Ali Al Aradi Attorneys and Legal Consultants
P.O. Box 11033, Manama - Kingdom of Bahrain
: Nezar Raees & Associates
P.O. Box 1380
Gulf Executive Offices, Gulf Hotel Manama, Kingdom of Bahrain
: Essa Ebrahim Mohammed Law Office
P.O. Box 11021
Manama, Kingdom of Bahrain

INSURANCE CONSULTANTS

: Protection Insurance Services W.L.L P.O. Box 33133
13th Floor, Jeera Tower
Manama, Kingdom of Bahrain

INDEPENDENT AUDITORS' REPORT

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Gulf Hotels Group B.S.C. ("the Company") and its subsidiaries (together "the Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in the Kingdom of Bahrain, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the year ended 31 December 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Assessments for impairment of property and equipment

Refer to note 2 for impairment policy, note 3 for estimate and judgement and note 4 on disclosure of property and equipment in the consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
<p>At 31 December 2025, the Group held property and equipment of BD 73,669 thousand.</p> <p>Property and equipment was important to our audit due to the size of the carrying value of the property and equipment (63% of the total assets as at 31 December 2025) as well as the judgement involved in the assessment of the recoverability of its carrying value.</p> <p>The recoverability of the carrying value of the property and equipment is, in part, dependent on the Group's ability to generate sufficient future profits. This assessment requires management to make assumptions in the underlying cash flow forecasts in respect of factors such as occupancy rate, room rents and sales levels of food and beverages, inflation and overall market and economic conditions of the Hotels within the Group.</p>	<p>Our audit procedures included, amongst others:</p> <ul style="list-style-type: none"> - Review of the Group's impairment policy to ensure its adherence to requirement of IFRS Accounting Standards; - Corroborating the key inputs used in management's impairment calculations and evaluating the appropriateness of the methodology applied by the Group in assessing the impairment of property and equipment. - Ensuring consistent application of the impairment assessment methodology; - Checking the arithmetical accuracy of the calculation used in the valuation; and - Evaluating the adequacy of disclosures in the consolidated financial statements.

INDEPENDENT AUDITORS' REPORT (Continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Other information included in the Group's 2025 annual report

Other information consists of the information included in the Group's 2025 Annual Report, other than the consolidated financial statements and our auditor's report thereon. The Board of Directors is responsible for the other information. Prior to the date of this auditors' report, we obtained the Chairman's Report which form part of the annual report, and the remaining sections of the annual report are expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the Group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT (Continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Auditor's responsibilities for the audit of the consolidated financial statements ((continued))

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

We report that:

- a) As required by the Bahrain Commercial Companies Law:
 - i) the Company has maintained proper accounting records and the consolidated financial statements are in agreement therewith;
 - ii) the financial information contained in the Chairman's Report is consistent with the consolidated financial statements; and
 - iii) satisfactory explanations and information have been provided to us by management in response to all our requests.
- b) we are not aware of any violations of the Bahrain Commercial Companies Law, the Central Bank of Bahrain (CBB) Rule Book (applicable provisions of Volume 6) and CBB directives, regulations and associated resolutions, rules and procedures of the Bahrain Bourse or the terms of the Company's memorandum and articles of association during the year ended 31 December 2025 that might have had a material adverse effect on the business of the Group or on its consolidated financial position.
- c) As required by Article 8 of section 2 of Chapter 1 of the Bahrain Corporate Governance Code, we report that the Company:
 - i) has appointed a Corporate Governance Officer; and
 - ii) has a board approved written guidance and procedures for corporate governance.

The Partner in charge of the audit resulting in this independent auditor's report is Nader Rahimi.

Partner's Registration No. 115

22 February 2026

Manama, Kingdom of Bahrain

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Note	2025 BD	2024 BD
ASSETS			
Non-current assets			
Property and equipment	5	73,669,233	73,728,435
Investment properties	6	566,542	576,609
Investments in associates and a joint venture	7	7,107,768	6,998,230
Prepayments and other receivables	11	457,521	636,021
Investments	8	10,790,027	10,329,955
		92,591,091	92,269,250
Current assets			
Inventories	9	3,129,228	3,516,702
Trade receivables	10	2,245,058	1,963,176
Prepayments and other receivables	11	1,994,559	1,765,437
Cash, bank balances and bank deposits	12	17,017,525	13,347,420
		24,386,370	20,592,735
TOTAL ASSETS		116,977,461	112,861,985
EQUITY AND LIABILITIES			
Equity			
Share capital	13	22,599,487	22,599,487
Treasury shares	14	(112,916)	-
Share premium	15	17,514,442	17,514,442
Other reserves	16	21,821,234	21,268,184
Retained earnings		48,429,465	44,150,286
Total equity		110,251,712	105,532,399
Non-current liability			
Employees' end of service benefits	18	892,023	955,522
Current liabilities			
Trade payables	19	1,979,201	1,926,746
Accrued expenses and other liabilities	20	3,854,525	4,447,318
		5,833,726	6,374,064
Total liabilities		6,725,749	7,329,586
TOTAL EQUITY AND LIABILITIES		116,977,461	112,861,985

Fawzi Ahmad Ali Kanoo
Chairman

Hala Farouk Almoayyed
Vice Chairman

Ahmed Janahi
Chief Executive Officer

Mohamed Al Gharbi
Chief Financial Officer

The attached notes 1 to 32 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Note	2025 BD	2024 BD
Revenue from contracts with customers	22	36,947,044	36,727,416
Share of results of associates and a joint venture	7	1,806,858	1,724,701
Dividend income		823,780	767,185
Interest income		553,059	447,181
Rental and other income	23	2,910,375	2,507,878
TOTAL INCOME		43,041,116	42,174,361
Staff costs	24	11,015,078	10,278,149
Food and beverages cost		8,805,752	8,891,010
Depreciation of property and equipment	5	4,983,130	5,454,746
Depreciation of investment properties	6	34,791	60,694
Utilities		1,915,663	1,839,949
(Reversal of allowance) allowance for expected credit losses	10	(259,284)	24,184
Other operating expenses	25	6,765,127	6,769,113
TOTAL EXPENSES		33,260,257	33,317,845
PROFIT FOR THE YEAR		9,780,859	8,856,516
BASIC AND DILUTED EARNINGS PER SHARE (FILS)	26	43	39
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Items not to be reclassified to profit or loss in subsequent years:</i>			
- Net changes in fair value of investments at fair value through other comprehensive income (loss)	8	671,389	(1,779,937)
- Share of other comprehensive income (loss) of associates and a joint venture	7	2,680	(91,320)
		674,069	(1,871,257)
<i>Item to be reclassified to profit or loss in subsequent years:</i>			
- Foreign exchange differences on translation of foreign operation		27,173	(156,089)
Other comprehensive income (loss) for the year		701,242	(2,027,346)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		10,482,101	6,829,170

Fawzi Ahmad Ali Kanoo
Chairman

Hala Farouk Almoayyed
Vice Chairman

Ahmed Janahi
Chief Executive Officer

Mohamed Al Gharbi
Chief Financial Officer

The attached notes 1 to 32 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Note	2025 BD	2024 BD
OPERATING ACTIVITIES			
Profit for the year		9,780,859	8,856,516
Adjustments to reconcile profit to net cash flows:			
Depreciation of property and equipment	5	4,983,130	5,454,746
Depreciation of investment properties	6	34,791	60,694
Share of results of associates and a joint venture	7	(1,806,858)	(1,724,701)
Dividend income		(823,780)	(767,185)
Interest income		(553,059)	(447,181)
Gain on disposals of property and equipment	23	(21,869)	(7,322)
(Reversal of provision) provision for slow-moving and obsolete inventories	9	(28,099)	70,238
(Reversal of allowance) allowance for expected credit losses	10	(259,284)	24,184
Provision for employees' end of service benefits	18	225,891	275,759
Operating profit before working capital changes		11,531,722	11,795,748
Inventories		415,573	(641,493)
Trade receivables		(22,598)	(446,891)
Prepayments and other receivables		(21,184)	(547,311)
Trade payables		52,455	472,765
Accrued expenses and other liabilities		(261,270)	785,199
Net cash flows from operations		11,694,698	11,418,017
Directors' remuneration paid		(330,007)	(305,468)
Employees' end of service benefits paid	18	(289,390)	(372,407)
Net cash flows from operating activities		11,075,301	10,740,142
INVESTING ACTIVITIES			
Additions to property and equipment	5	(4,923,928)	(3,554,193)
Addition to investment properties	6	(24,724)	(23,115)
Bank deposits		(572,474)	(3,080,778)
Proceeds from disposals of property and equipment		21,869	342,510
Proceeds from disposals of investments at fair value through other comprehensive income	8	211,317	-
Interest received		523,621	441,669
Dividends received from an associate	7	1,700,000	1,900,000
Dividends received		823,780	767,185
Net cash flows used in investing activities		(2,240,539)	(3,206,722)
FINANCING ACTIVITIES			
Dividends paid		(5,651,388)	(5,649,536)
Purchase of treasury shares	14	(112,916)	-
Net cash flows used in financing activities		(5,764,304)	(5,649,536)
Net change in cash and cash equivalents		3,070,458	1,883,884
Net foreign exchange difference		27,173	(156,089)
Cash and cash equivalents at 1 January		9,250,509	7,522,714
Cash and cash equivalents at 31 December	12	12,348,140	9,250,509

Non-cash items:

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

- Interest accrued amounting to BD 140,944 (2024: BD 111,506) has been excluded from movement in prepayments and other receivables.
- Dividend payable amounting to BD 68,741 (2024: BD 70,257) has been excluded from movement in accrued expenses and other liabilities.

The attached notes 1 to 32 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Share capital BD	Treasury shares BD	Share premium BD	Statutory reserve BD	General reserve BD	Other reserves				Retained earnings BD	Total equity BD
						Charity reserve BD	Foreign currency reserve BD	Fair Value reserve BD	Total Other reserves 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 year	-	-	-	-	-	-	-	-	-	8,856,516	8,856,516
Other comprehensive loss for the year	-	-	-	-	-	-	(156,089)	(1,871,257)	(2,027,346)	-	(2,027,346)
Total comprehensive (loss) income for the year	-	-	-	-	-	-	(156,089)	(1,871,257)	(2,027,346)	8,856,516	6,829,170
Utilisation of donation reserve	-	-	-	-	-	(53,186)	-	-	(53,186)	53,186	-
Dividend (note 17)	-	-	-	-	-	-	-	-	-	(5,649,872)	(5,649,872)
At 31 December 2024	22,599,487	-	17,514,442	11,299,744	5,000,000	1,539,945	83,853	3,344,642	21,268,184	44,150,286	105,532,399
Profit for the year	-	-	-	-	-	-	-	-	-	9,780,859	9,780,859
Other comprehensive income for the year	-	-	-	-	-	-	27,173	674,069	701,242	-	701,242
Total comprehensive income for the year	-	-	-	-	-	-	27,173	674,069	701,242	9,780,859	10,482,101
Purchase of treasury shares (note 14)	-	(112,916)	-	-	-	-	-	-	-	-	(112,916)
Transfer of fair value reserve of investments at fair value through other comprehensive income	-	-	-	-	-	-	-	(82,020)	(82,020)	82,020	-
Utilisation of donation reserve	-	-	-	-	-	(66,172)	-	-	(66,172)	66,172	-
Dividend (note 17)	-	-	-	-	-	-	-	-	-	(5,649,872)	(5,649,872)
At 31 December 2025	22,599,487	(112,916)	17,514,442	11,299,744	5,000,000	1,473,773	111,026	3,936,691	21,821,234	48,429,465	110,251,712

The retained earnings include statutory reserves of BD 75,000 as at 31 December 2025 (2024: BD 75,000) relating to Bahrain Tourism Company - Crowne Plaza (Bahrain) W.L.L., Gulf Hotel Laundry Services W.L.L., and Novotel Bahrain Al Dana Resort W.L.L. the wholly owned subsidiaries of the Group.

The attached notes 1 to 32 form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2025

1. CORPORATE INFORMATION AND 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 consolidated financial statements comprise the results of the Company and its subsidiaries (collectively, "the Group") for the year ended 31 December 2025.

The Group owns and operates the Gulf Hotel, Novotel Bahrain Al Dana Resort and Crown plaza Hotel in the Kingdom of Bahrain and Grand Mercure Hotel Business Bay in Dubai (formerly Gulf Court Hotel Business Bay), 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 Services 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
	31 December 2025	31 December 2024			
Gulf Hotel Laundry Services W.L.L.	100%	100%	Subsidiary	Kingdom of Bahrain	Provision of laundry services
Bahrain Tourism Company - Crown 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.	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, and provision of family entertainment.
African & Eastern (Bahrain) W.L.L.	33.33%	33.33%	Associate	Kingdom of Bahrain	Importing and selling alcohol beverages
Bahrain Airport Hotel Company W.L.L.**	51%	51%	Joint venture	Kingdom of Bahrain	Hotel operations
Grand Mercure Hotel Business Bay L.L.C. (formerly Gulf Court Hotel Business Bay L.C.C.)	100%	100%	Subsidiary	United Arab Emirates	Hotel operations
GHG Investments L.L.C.	100%	100%	Subsidiary	United Arab Emirates	Investment and other activities
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

* Percentage of ownership interest is calculated based on the investee's share capital net of treasury shares.

** The investment is accounted for as a joint venture based on shareholders' agreement whereby both parties agreed to share decision making.

The consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 22 February 2026.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As at 31 December 2025

2. MATERIAL ACCOUNTING POLICIES

Basis of preparation

The consolidated financial statements are prepared under the historical cost convention, except for investments at fair value through other comprehensive income that have been measured at fair value.

Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board (IASB), and in conformity with the Bahrain Commercial Companies Law, the Central Bank of Bahrain (CBB) Rule Book (applicable provisions of Volume 6) and CBB directives, regulations and associated resolutions, rules and procedures of the Bahrain Bourse.

Functional and presentation currency

The consolidated financial statements have been presented in Bahraini Dinars (BD) which is the functional currency of the Company and the presentation currency of the Group.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group obtains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the shareholders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses, cash flows and unrealised gains or losses relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As at 31 December 2025

2. MATERIAL ACCOUNTING POLICIES (continued)

New and amended standard effective from 1 January 2025

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those used in the previous year, except for amended standard adopted by the Group as of 1 January 2025. The Group has not early adopted any new and amended standards that has been issued but is not yet effective.

- *Lack of exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates – the amendments specifies 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 did not have a material impact on the Group's financial statements.*

The adoption of this amendment did not have any effect on the Group's consolidated financial statements.

New and amended standards and improvements issued but not yet effective

New and amended standards and improvement issued but not yet effective up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and improvement, if applicable, when they become effective:

- *Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – In December 2015, the IASB issued these amendments which clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3 Business Combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The effective date for adoption of these amendments has been deferred indefinitely;*

- *IFRS 18 Presentation and Disclosure in Financial Statements - In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.*

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively;

- *IFRS 19 Subsidiaries without Public Accountability: Disclosures - In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.*

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted;

As the Group's equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As at 31 December 2025

2. MATERIAL ACCOUNTING POLICIES (continued)

New and amended standards and improvements issued but not yet effective (continued)

- *Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments – In May 2024, the IASB issued these amendments which:*

- Clarify that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.*
- Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.*
- Clarify the treatment of non-recourse assets and contractually linked instruments.*
- Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that refer a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.*

The amendments will be effective for annual reporting periods beginning on or after 1 January 2026;

- *Annual Improvements to IFRS Accounting Standards – Volume 11 – In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows. The improvement will be effective for reporting periods beginning on or after 1 January 2026. Earlier application is permitted and must be disclosed;*

- *Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21: In November 2025, the Board issued Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21. The amendments require translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments apply for annual reporting periods beginning on or after 1 January 2027 and earlier application is permitted; and*

- *Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 – In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity; the amendments:*

- Clarify the application of the 'own-use' requirements for in-scope contracts.*
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts.*
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a Group's financial performance and cash flows.*

The amendments will take effect for annual reporting periods starting on or after 1 January 2026. Early adoption is allowed, but it must be disclosed. The amendments concerning the own-use exception are to be applied retrospectively, while the hedge accounting amendments should be applied prospectively to new hedging relationships designated from the initial application date. Additionally, the IFRS 7 disclosure amendments must be implemented alongside the IFRS 9 amendments. If an entity does not restate comparative information, it cannot present comparative disclosures.

The Group management is currently assessing the impact of the above new and amended standards and improvement on the consolidated financial statements of the Group.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As at 31 December 2025

2. MATERIAL ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on a current/non-current classification.

An asset is classified as current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As at 31 December 2025

2. MATERIAL ACCOUNTING POLICIES (continued)

Fair value measurement

The Group measures financial instruments such as investment, at fair value at each reporting date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices 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 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.

The Group's management, with discussion with the Investment Committee, determines the policies and procedures for both recurring fair value measurement, such as investments.

External valuers are involved for valuation of significant assets, such as property and equipment, investment properties and investments, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided annually after discussion with the Group's Board of Directors. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Foreign currency

The Group's consolidated financial statements are presented in Bahraini Dinars (BD) which is also the Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and has elected to recycle to profit or loss the gain or loss that arises from using this method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As at 31 December 2025

2. MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency (continued)

Transactions and balances

Transactions in foreign currencies are initially recorded at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date.

All differences arising on settlement or translation of monetary items are taken to the profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into BD at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component recognised in the consolidated statement of changes in equity relating to that particular foreign operation is recognised in profit or loss.

Property and equipment

Recognition and measurement

Property and equipment is stated at cost, net of accumulated depreciation and impairment loss, if any. Such cost includes the cost of replacing a part of the property and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

When significant parts of property and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss when incurred.

Capital work-in-progress

The capital work-in-progress is stated at cost less any identified impairment loss and comprises expenditure incurred on the acquisition and installation of property and equipment which is transferred to the appropriate category of asset and depreciated as and when assets are available for use.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. If subsequent expenditure is related to a previously capitalised project, it is depreciated over the remaining useful life.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As at 31 December 2025

2. MATERIAL ACCOUNTING POLICIES (continued)

Property and equipment (continued)

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, except for freehold land and capital work-in-progress, as follows:

- Buildings on freehold land	
• original structure	40 years
• subsequent improvements	Over the remaining life of the buildings they relate to, or earlier, as appropriate
- Furniture, fittings and office equipment	2 to 7 years
- Equipment and motor vehicles	2 to 10 years

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in profit or loss in the year the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year-end and adjusted prospectively if appropriate.

Investment properties

Investment properties are properties held to earn rentals or for capital appreciation or both and are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day to day servicing of an investment property. Depreciation on investment properties is calculated on a straight-line method over the estimated useful lives of 30 years.

Investment properties are derecognised either when they have been disposed off (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefits expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

Investment property is derecognised either when it has been disposed off (i.e., at the date the recipient obtains control) or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property, the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any) in accordance with the requirements for determining the transaction price in IFRS 15.

Inventories

Inventories of food and beverages are stated at the lower of cost and net realisable value. Inventories of maintenance and general stores are stated at cost less provision for obsolescence. Costs are those expenses incurred in bringing inventories to their present location and condition and are determined on a weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As at 31 December 2025

2. MATERIAL ACCOUNTING POLICIES (continued)

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices or other available fair value indicators.

The Group bases its impairment calculation on the most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

An assessment is made at each reporting date whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

Investment in associates and a joint venture

The Group holds an interest in a joint venture, Bahrain Airport Hotel Company W.L.L., and an interest in two associates, Bahrain Family Leisure Company B.S.C. and African and Eastern (Bahrain) W.L.L.

The financial statements of both associates and a joint venture are prepared for the same reporting period as the Group. The accounting policies of both companies are aligned with those of the Group. Therefore, no adjustments are made when measuring and recognising the Group's share of the profit or loss of the investees after the date of acquisition.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its associates and joint venture are accounted for using the equity method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As at 31 December 2025

2. MATERIAL ACCOUNTING POLICIES (continued)

Investment in associates and a joint venture (continued)

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associates or joint venture is included in the carrying amount of the investment and is not tested for impairment separately. Thus, reversals of impairments may effectively include reversal of goodwill impairments. Impairments and reversals are presented within 'Share of results of associates and a joint venture' in profit or loss.

The consolidated statement of profit and loss reflects the Group's share of the results of operations of the associates and joint venture. Any change in other comprehensive income of the associates and joint venture is presented as part of the consolidated statement of other comprehensive income.

In addition, when there has been a change recognised directly in the equity of the associates and joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associates and joint venture are eliminated to the extent of the Group's interest in the associates and joint venture.

The aggregate of the Group's share of results of associates and joint venture is shown on the face of the consolidated statement of profit or loss and represents results after tax and non-controlling interests in the subsidiaries of the associates and joint venture.

The financial statements of the associates or joint venture are prepared for the same reporting period as the Group. Therefore, no adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associates or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associates or joint venture are impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of its investment in associate and its carrying value, then recognises the loss as 'Share of results of associates and a joint venture' in profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Financial instruments - recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss (FVTPL). 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. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient which are measured at the transaction price determined under contracts with customers (refer to accounting policy for revenue from contracts with customers), the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, 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.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets include investments, trade receivables and a portion of prepayments and other receivables, cash, bank balances and bank deposits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As at 31 December 2025

2. MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments - recognition and measurement (continued)

Financial assets (continued)

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- Financial assets at amortised cost;
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition (equity instruments).

Financial assets at amortised cost

This category is the most relevant to the Group. The Group measures financial assets at amortised 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.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables, a portion of prepayments and other receivables, bank balances and bank deposits.

Financial assets designated at fair value through other comprehensive income (FVOCI).

Equity instruments

The Group elected (on an instrument-by-instrument basis) to designate its investments in equity instruments as at FVOCI. Designation at FVOCI is not permitted if the equity investment is held-for-trading.

A financial asset is held-for-trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

The Group has designated most of its investments in equity instruments at FVOCI on initial application of IFRS 9, as the Board of Directors believes that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in other comprehensive income.

Financial assets at FVOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in investment revaluation reserve. The cumulative gain or loss cannot be reclassified to profit or loss on disposal of the investments.

Dividends are recognised as dividend income in the profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As at 31 December 2025

2. MATERIAL ACCOUNTING POLICIES (continued)

Derecognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either;
 - a. the Group has transferred substantially all the risks and rewards of the asset, or
 - b. the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables which is the only significant financial asset exposed to credit risk, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for any relevant forward-looking factors.

For other financial assets, ECLs are recognised 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 loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities mainly include trade payables and a portion of accrued expenses and other liabilities.

Subsequent measurement

All financial liabilities of the Group are subsequently measured at amortized cost. Such liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as interest expense in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As at 31 December 2025

2. MATERIAL ACCOUNTING POLICIES (continued)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of six months or less, that are held for the purpose of meeting short-term cash commitments and are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits with original maturity of three months or less, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Employees' end of service benefits

The Group makes contributions to relevant Government schemes for its employees in each jurisdiction, calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

The Group also provides for end of service benefits to its expatriate employees. The entitlement to these benefits is based upon the employee's final salary and length of service. The expected costs of these benefits are accrued over the period of employment.

Under a new end of service benefits system for non-Bahraini employees, effective from 1 March 2024, the Group is required to pay the monthly end of service contributions electronically through the Social Insurance Organisation (SIO) portal calculated as a percentage of the employees' salaries. Benefits accrued before 1 March 2024 will remain recorded in the Group's consolidated financial statements and will be paid to the employee as or when the employee leaves the Group.

Treasury shares

Treasury shares are stated at acquisition cost and are shown as a deduction to equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the treasury shares. Gain or loss arising from the subsequent resale of treasury shares is included in the retained earnings in the consolidated statement of changes in equity. Net movement from repurchase and resales of treasury shares is booked under the treasury shares.

Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As at 31 December 2025

2. MATERIAL ACCOUNTING POLICIES (continued)

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its consolidated financial statements. The Group will adjust the amounts recognised in its consolidated financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its consolidated financial statements, but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

Cash dividend to shareholders of the Group

The Group recognises a liability to make cash distributions to shareholders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. Under Bahrain Commercial Companies Law, a distribution is authorised when it is approved by the shareholders in their General Meeting. A corresponding amount is recognised directly in equity.

Value added tax (VAT)

Revenue, expenses and assets are recognised net of the amount of value added tax, except when the value added tax incurred on purchase of assets or services is not recoverable from the Government, in which case, the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of value added tax receivable from, or payable to, the Government is included as part of other receivables or other payables in the consolidated statement of financial position.

Revenue recognition

Revenue from contracts with customers

The Group is in the business of providing hotel services and import and sale of beverages. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding discounts and amounts collected on behalf of third parties such as tourism levy, VAT and accommodation fees etc. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer. The following specific recognition criteria must also be met before revenue is recognised:

Room revenue

Room revenue is recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group. Room revenue is recognised based on an output method, over the length of guests stay at the Hotel.

The Group's contracts with its customers generally contains only one performance obligation. In some cases, the Group's contracts for stay at the Hotel are bundled together with the sale of food, beverages and other services. The Group considers room revenue, sale of food and beverages and other services of being distinct and allocates the transaction price to room revenue, sale of food and beverages and other services based on the stand-alone selling prices of rooms, food and beverages and other services.

Sale of food and beverages

The Group's contracts with customers for the sale of food and beverages generally include one performance obligation. The Group has concluded that revenue from sale of food and beverages should be recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the food and beverages.

Revenue from rendering of services

Revenue from rendering of services is recognised at point in time when the related services are rendered to the customer.

Revenue from rental income

Revenue from property leased out under an operating lease are recognised on a straight-line basis over the term of the lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As at 31 December 2025

2. MATERIAL ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

Revenue from management fee

Management fees are recognised when the services are rendered as determined by the management agreement. The variable consideration related to the fees is estimated as per the agreement and constrained until it is highly probable that there is no significant uncertainty regarding the amount of consideration.

Costs to obtain a contract

The Group pays sales commission to its travel agents for each contract that they obtain for guest bookings.

The Group applies the optional practical expedient to immediately recognise the commission paid if the amortisation period of the asset that would have been recognised is one year or less. As such, sales commissions are immediately recognised as an expense in profit or loss.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods and services transferred to the customer. If the Group performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment. Refer to accounting policies on impairment of financial assets.

Trade receivables

A receivable represents 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). Refer to the accounting policy on "Financial assets".

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Other income recognition

Interest income

Interest income is recorded using the effective interest rate (EIR) method, which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

Dividend income

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders of the investee approve the dividend.

Other income

Other income is recognised on an accrual basis when income is earned.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As at 31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires the Board of Directors to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, the Board of Directors has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Going concern

The Group's Board of Directors has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue the business for the foreseeable future. Furthermore, the Board of Directors is not aware of any material uncertainties that may cast a significant doubt about the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on a going concern basis.

Classification of investments

The Group's management determines the classification of investments on initial recognition as "financial asset at fair value through profit or loss" or "financial asset at fair value through other comprehensive income". The investments are classified as "financial asset at fair value through profit or loss" if they are acquired for the purpose of selling in the near term. All other investments are classified as "financial asset at fair value through other comprehensive income".

Classification of properties

Properties which are purchased with the intention to earn rental income or capital appreciation or both are classified as investment properties. All other properties are classified as property and equipment.

Property lease classification – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Determining the timing of revenue from room services

The Group concluded that revenue from room services is to be recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group which demonstrates that the Group's performance obligations are complete as and when customer simultaneously receives and consumes the benefits.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared.

Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As at 31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimates and assumptions (continued)

Useful lives of property and equipment and investment properties

The Group's management determines the estimated useful lives of its property and equipment and investment properties for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual values and useful lives annually and future depreciation charges would be adjusted where management believes the useful lives differ from previous estimates.

Impairment of property and equipment and investment properties

The Group assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessment of the time value of money and the risks specific to the assets.

The Board of Directors do not believe that there is any impairment of property and equipment and investment properties as at 31 December 2025 and 31 December 2024.

Key assumptions used in value in use calculations

The calculation of value in use is most sensitive to the following assumptions:

- Estimated room rents in futures;
- Estimated occupancy rates for upcoming years;
- Inflation rate used to extrapolate cash flows;
- Capital expenditure;
- Discount rate;
- Growth rate; and
- Terminal value of property and equipment and investment properties.

Sensitivity to changes in assumptions

With regard to the assessment of value in use, management believes that reasonably possible changes in the weighted average cost of capital would cause a material change to the recoverable amount. An increase in weighted average cost of capital by 0.5% (50 basis point) (2024: 0.5% (50 basis point)) (with all other variables remain unchanged) throughout the forecast period could result in the recoverable amount of the CGU to be lower than its carrying value.

Similarly, an decrease in occupancy rate by 3% (2024: 3%) (with all other variables remain unchanged) throughout the forecast period or a reduction in room rental by BD 5 (2024: BD 5) (with all other variables remain unchanged) throughout the forecast period could result in the recoverable amount of the CGU to be lower than its carrying value.

The sensitivity to changes in assumptions will not impact the net carrying value of CGU for the year ended 31 December 2025 (2024: same).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As at 31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimates and assumptions (continued)

Allowance for expected credit losses

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer types).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with the forward-looking information. For instance, if forecast economic conditions (i.e. inflation rate) are expected to deteriorate over the next year which can lead to an increased number of defaults in the consumer sector, the historical default rates are adjusted.

At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. 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.

Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in consolidated statement of profit or loss and other comprehensive income.

Valuation of unquoted investments at fair value through other comprehensive income

Management uses its best judgement in determining fair values of the unquoted private equity investments by reference to using fair value provided by the investment managers or other appropriate valuation techniques including fair values determined based on unobservable inputs using a market multiples or other appropriate valuation methodologies. Management uses its best judgement, however, the actual amount realised in a future transaction may differ from the current estimate of fair value given the inherent uncertainty surrounding the valuation of unquoted equity investments.

Provision for slow moving and obsolete inventories

Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on anticipated realisable value.

Any difference between the amounts actually realised in future periods and the amounts expected will be recognised in profit or loss and other comprehensive income.

4. GLOBAL AND DOMESTIC MINIMUM TOP UP TAX

The OECD Global Anti-Base Erosion Pillar Two Model Rules ('GloBE rules') apply to multinational enterprise (MNE) groups with total annual consolidated revenue exceeding EUR 750 million in at least two of the four preceding fiscal years. In line with the requirements of GloBE rules, the Kingdom of Bahrain has issued and enacted Decree Law No. (11) of 2024 ('Bahrain DMTT law') on 1 September 2024 introducing a domestic minimum top-up tax ('DMTT') of up to 15% on the taxable income of Bahrain resident entities of the Group for fiscal years commenced on or after 1 January 2025.

As per the Group's assessment, it has concluded that it is not in scope for Bahrain DMTT law or the GloBE rules as it does not have total annual consolidated revenue exceeding EUR 750 million in at least two of the four preceding fiscal years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As at 31 December 2025

5. PROPERTY AND EQUIPMENT

	Freehold land BD	Buildings BD	Furniture, fittings and office equipment BD	Equipment and motor vehicles BD	Capital work-in- progress BD	Total BD
Cost:						
At 1 January 2025	20,765,965	105,036,040	17,990,909	17,922,256	2,453,518	164,168,688
Additions / transfers	-	925,585	783,219	998,424	2,216,700	4,923,928
Disposals	-	-	(79,656)	(10,354)	-	(90,010)
At 31 December 2025	20,765,965	105,961,625	18,694,472	18,910,326	4,670,218	169,002,606
Accumulated depreciation and impairment:						
At 1 January 2025	-	56,902,739	17,274,236	16,263,278	-	90,440,253
Depreciation charge for the year	-	2,776,049	832,577	1,374,504	-	4,983,130
Relating to disposals	-	-	(79,656)	(10,354)	-	(90,010)
At 31 December 2025	-	59,678,788	18,027,157	17,627,428	-	95,333,373
Net book values:						
At 31 December 2025	20,765,965	46,282,837	667,315	1,282,898	4,670,218	73,669,233

	Freehold land BD	Buildings BD	Furniture, fittings and office equipment BD	Equipment and motor vehicles BD	Capital work-in- progress BD	Total BD
Cost:						
At 1 January 2024	20,765,965	102,676,939	23,659,829	20,670,866	940,006	168,713,605
Additions / transfers	-	45,390	1,113,726	881,565	1,513,512	3,554,193
Reclassification	-	3,745,934	(3,675,164)	(70,770)	-	-
Disposals	-	(308,739)	(16,867)	(1,711,604)	-	(2,037,210)
Write offs	-	(1,123,484)	(3,090,615)	(1,847,801)	-	(6,061,900)
At 31 December 2024	20,765,965	105,036,040	17,990,909	17,922,256	2,453,518	164,168,688
Accumulated depreciation and impairment:						
At 1 January 2024	-	51,684,999	23,510,802	17,553,628	-	92,749,429
Depreciation charge for the year	-	2,619,117	725,343	2,110,286	-	5,454,746
Reclassification	-	3,745,614	(3,854,965)	109,351	-	-
Relating to disposals	-	(23,507)	(16,329)	(1,662,186)	-	(1,702,022)
Relating to write offs	-	(1,123,484)	(3,090,615)	(1,847,801)	-	(6,061,900)
At 31 December 2024	-	56,902,739	17,274,236	16,263,278	-	90,440,253
Net book value:						
At 31 December 2024	20,765,965	48,133,301	716,673	1,658,978	2,453,518	73,728,435

Capital work-in-progress mainly represent building, furniture, fixtures and office equipment undergoing installation as part of the Group's renovation and refurbishment projects which were in progress as of the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As at 31 December 2025

6. INVESTMENT PROPERTIES

	Land BD	Buildings BD	Total BD
Cost:			
At 1 January 2025	494,515	1,936,616	2,431,131
Additions	-	24,724	24,724
At 31 December 2025	494,515	1,961,340	2,455,855
Accumulated depreciation:			
At 1 January 2025	-	1,854,522	1,854,522
Depreciation charge for the year	-	34,791	34,791
At 31 December 2025	-	1,889,313	1,889,313
Net book value at 31 December 2025	494,515	72,027	566,542

	Land BD	Buildings BD	Total BD
Cost:			
At 1 January 2024	494,515	1,913,501	2,408,016
Additions	-	23,115	23,115
At 31 December 2024	494,515	1,936,616	2,431,131
Accumulated depreciation:			
At 1 January 2024	-	1,793,828	1,793,828
Depreciation charge for the year	-	60,694	60,694
At 31 December 2024	-	1,854,522	1,854,522
Net book value at 31 December 2024	494,515	82,094	576,609

The fair value of investment properties was BD 1,854,000 based on a valuation performed by an independent external property valuer, having appropriate recognised qualification and experience in the location and category of the property being valued. The fair value measurement was based on Discounted Cash Flow (DCF) method and accordingly has been categorised as level 3 in the fair value hierarchy.

	2025 BD	2024 BD
Rental income derived from investment properties	128,432	102,178
Direct operating expenses generating rental income (included in other operating expense)	(23,731)	(27,871)
Depreciation of investment properties	(34,791)	(60,694)
Profit arising from investment properties carried at cost	69,910	13,613

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As at 31 December 2025

7. INVESTMENT IN ASSOCIATES AND A JOINT VENTURE

Summarised financial information of the associates and joint venture, based on its financial statements, and reconciliation with the carrying amount of the investment in associates and a joint venture in the consolidated financial statements are set out below:

At 31 December 2025	African & Eastern (Bahrain) W.L.L.	Bahrain Family Leisure Company B.S.C.	Bahrain Airport Hotel Company W.L.L.	Total
	BD	BD	BD	BD
Balance at 1 January 2025	6,499,872	309,415	188,943	6,998,230
Share of profit / (loss) for the year	1,856,646	(27,950)	(21,838)	1,806,858
Share of other comprehensive income for the year	2,680	-	-	2,680
Dividends received	(1,700,000)	-	-	(1,700,000)
Balance at 31 December 2025	6,659,198	281,465	167,105	7,107,768

At 31 December 2024	African & Eastern (Bahrain) W.L.L.	Bahrain Family Leisure Company B.S.C.	Bahrain Airport Hotel Company W.L.L.	Total
	BD	BD	BD	BD
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)
Dividends received	(1,900,000)	-	-	(1,900,000)
Balance at 31 December 2024	6,499,872	309,415	188,943	6,998,230

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As at 31 December 2025

7. INVESTMENT IN ASSOCIATES AND A JOINT VENTURE (continued)

The following table illustrates the summarised financial information of the Group's investment in the associates and a joint venture:

	2025 BD	2024 BD
African & Eastern (Bahrain) W.L.L.		
<i>Associate's summarised statement of financial position:</i>		
Current assets, including cash and cash equivalents BD 828,204 (2024: BD 863,721)	8,962,845	7,583,011
Non-current assets	12,581,930	13,198,322
Current liabilities	(2,114,848)	(1,772,571)
Non-current liabilities	(571,439)	(628,301)
Equity	18,858,488	18,380,461
Proportion of the Group's ownership	33.33%	33.33%
Group's share in equity	6,285,534	6,126,208
Goodwill	373,664	373,664
Group's carrying amount of the investment in an associate as of 31 December	6,659,198	6,499,872
<i>Associate's summarised statement of comprehensive income:</i>		
Revenue from contracts with customers	18,403,385	17,297,153
Cost of sales	(10,061,952)	(9,152,938)
Administrative expenses, including depreciation	(3,271,503)	(3,192,497)
Other income	500,564	499,228
Profit for the year	5,570,494	5,450,946
Other comprehensive income (loss)	8,042	(191,837)
Total comprehensive income for the year	5,578,536	5,259,109
Group's share of total comprehensive income for the year 33.33% (2024: 33.33%)	1,859,326	1,752,861
Bahrain Family Leisure Company B.S.C.		
<i>Associate's summarised statement of financial position:</i>		
Current assets, including cash and cash equivalents BD 154,496 (2024: BD 189,820)	413,297	616,384
Non-current assets	1,260,511	1,315,033
Current liabilities	(427,862)	(421,494)
Non-current liabilities	(242,863)	(407,232)
Equity	1,003,083	1,102,691
Proportion of the Group's ownership	28.06%	28.06%
Group's share in equity and Group's carrying amount of the investment in an associate as of 31 December	281,465	309,415
<i>Associate's summarised statement of comprehensive income:</i>		
Revenue from contracts with customers	1,353,599	1,357,980
Cost of sales	(1,315,102)	(1,267,227)
Other operating expense	(232,865)	(177,394)
Gain (loss) on investments	108,638	(186,304)
Other income	15,898	37,792
Finance costs, including interest expense	(29,776)	(35,449)
Loss for the year and total comprehensive loss for the year	(99,608)	(270,602)
Group's share of total comprehensive loss for the year 28.06% (2024: 28.06%)	(27,950)	(75,931)

As at 31 December 2025, BFLC remained listed on the Bahrain Bourse and have the market price of BD 0.324 per share (2024: BD 0.090). The Group holds 2,225,000 share after the reduction of share capital (2024: 10,100,000 shares) having the total value of BD 720,900 (2024: BD 909,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As at 31 December 2025

7. INVESTMENT IN ASSOCIATES AND A JOINT VENTURE (continued)

	2025	2024
Bahrain Airport Hotel Company W.L.L.	BD	BD
<i>Joint venture's summarised statement of financial position:</i>		
Current assets, including cash and cash equivalents of BD 335,162 (2024: BD 232,147)	583,712	343,896
Non-current assets	1,539,905	1,845,475
Current liabilities	(1,411,170)	(1,425,721)
Non-current liabilities	(384,790)	(393,174)
Equity	327,657	370,476
Proportion of the Group's ownership	51%	51%
Group's share in equity and Group's carrying amount of the investment in an associate as of 31 December	167,105	188,943

	2025	2024
Bahrain Airport Hotel Company W.L.L.	BD	BD
<i>Joint venture's summarised statement of comprehensive income:</i>		
Revenue from contracts with customers	548,245	594,656
Cost of sales	(297,360)	(338,545)
Administrative expenses, including depreciation	(293,981)	(289,825)
Other income	277	2,012
Loss for the year	(42,819)	(31,702)
Other equity movement	-	(53,689)
Total comprehensive loss for the year	(42,819)	(85,391)
Group's share of total comprehensive loss for the year 51% (2024: 51%)	(21,838)	(43,549)

The Group's share in associates' and the joint venture's commitments for capital expenditure was BD 134,922 as of 31 December 2025 (2024: BD 85,389) arising from the construction of retail store in Mina Salman, Kingdom of Bahrain, which is expected to be completed by February 2026.

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

The share of results of the associate is recognised based on the approved management accounts for the years ended 31 December 2025 and 31 December 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As at 31 December 2025

8. INVESTMENTS

	2025	2024
	BD	BD
<i>At fair value through other comprehensive income:</i>		
- Quoted equity investments at FVOCI	8,611,684	8,151,612
- Unquoted equity investments at FVOCI	2,178,343	2,178,343
	10,790,027	10,329,955

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

	2025	2024
	BD	BD
At 1 January	10,329,955	12,109,892
Disposals during the year	(211,317)	-
Net changes in fair values	671,389	(1,779,937)
At 31 December	10,790,027	10,329,955

Quoted equity investments

The quoted equity investments include investments in listed equity shares. These investments were irrevocably designated at fair value through OCI as the Group considers these investments to be strategic in nature. Fair values of these equity shares are determined by reference to published price quotations in an active market.

Unquoted equity investments

Unquoted equity investments include investments in equity shares of non-listed companies designated at fair value through OCI. These investments were irrevocably designated at fair value through OCI as the Group considers these investments to be strategic in nature.

The fair values of unquoted investments have been estimated using indicative bids provided by the fund administrators, market multiples, adjusted net assets value or other appropriate valuation techniques.

The fair value measurement reconciliation for unquoted investments using Level 3 of fair value measurement, along with the disclosure of significant unobservable inputs employed for valuation, is disclosed in note 30.

9. INVENTORIES

	2025	2024
	BD	BD
Food and beverages	3,072,660	3,428,009
General stores	173,580	161,649
Maintenance stores	76,285	148,440
	3,322,525	3,738,098
Less: Provision for slow-moving and obsolete inventories	(193,297)	(221,396)
Total inventories at lower of cost or net realizable value	3,129,228	3,516,702

Movement in the provision for slow-moving and obsolete inventories during the year were as follows:

	2025	2024
	BD	BD
At 1 January	221,396	151,158
(Reversal) / provided during the year, net	(28,099)	70,238
At 31 December	193,297	221,396

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As at 31 December 2025

10. TRADE RECEIVABLES

	2025	2024
	BD	BD
Trade receivables from third parties	2,723,368	2,733,898
Less: Allowance for expected credit losses	(620,907)	(880,191)
	2,102,461	1,853,707
Trade receivables from related parties (note 28)	142,597	109,469
	2,245,058	1,963,176

Terms and conditions of the above financial assets are as follows:

- Trade receivables are non-interest bearing and are normally settled on 30 to 60 day terms.
- For terms and conditions of trade receivables from related parties, refer to note 28.
- The Group does not obtain collateral over trade receivables.

The movements in the allowance for expected credit losses of trade receivables during the years are as follows:

	2025	2024
	BD	BD
At 1 January	880,191	856,007
(Reversal) / charge for the year, net	(259,284)	24,184
At 31 December	620,907	880,191

The ageing analysis of trade receivables and allowance for expected credit losses as at 31 December, are as follows:

31 December 2025	Total	Current	Past due		
			Less than 90 days	90 to 180 days	More than 180 days
Expected credit loss rate (%)	22.8%	2.1%	24.9%	71.2%	100.0%
Gross trade receivables (BD)	2,723,368	1,332,467	1,002,256	158,355	230,290
Allowance for expected credit losses (BD)	(620,907)	(28,202)	(249,726)	(112,689)	(230,290)
Net trade receivables (BD)	2,102,461	1,304,265	752,530	45,666	-

31 December 2024	Total	Current	Past due		
			Less than 90 days	90 to 180 days	More than 180 days
Expected credit loss rate (%)	32.2%	3.7%	21.2%	56.6%	100.0%
Gross trade receivables (BD)	2,733,898	1,106,269	886,209	206,375	535,045
Allowance for expected credit losses (BD)	(880,191)	(40,608)	(187,811)	(116,727)	(535,045)
Net trade receivables (BD)	1,853,707	1,065,661	698,398	89,648	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As at 31 December 2025

11. PREPAYMENTS AND OTHER RECEIVABLES

	2025	2024
	BD	BD
Other receivables from related parties (note 28)	656,521	707,771
Other receivables from third parties	32,960	34,213
Prepayments	448,284	449,135
Advances	661,799	682,098
Deposits	424,919	387,981
Interest accrued	140,944	111,506
Others	86,653	28,754
	2,452,080	2,401,458
Non current portion	(457,521)	(636,021)
	1,994,559	1,765,437

Terms and conditions of the above financial assets are as follows:

- Other receivables are non-interest-bearing and have terms ranging between one and three months.
- For terms and conditions of other receivables from related parties, refer to note 28.
- Deposits are non-interest-bearing and have terms ranging between one and three months.

12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the consolidated statement of cash flows consist of the following amounts:

	2025	2024
	BD	BD
Bank balances	3,329,543	3,274,173
Bank deposits	13,520,745	10,004,637
Cash on hand	167,237	68,610
Cash, bank balances and bank deposits	17,017,525	13,347,420
Less: Bank deposits with original maturity exceeding three months	(4,669,385)	(4,096,911)
Cash and cash equivalents	12,348,140	9,250,509

Bank balance are held with financial institutions in the Kingdom of Bahrain, United Arab Emirates and Democratic Socialist Republic of Sri Lanka. These balances are denominated in Bahraini Dinars, United Arab Emirates Dirhams, Euros, United States Dollars, Pound Sterling (GBP) and Sri Lankan Rupees.

Bank deposits are placed with commercial banks in the Kingdom of Bahrain. These deposits have varying original maturity ranging from three to six months and will mature till June 2026 (2024: June 2025). The deposits are denominated in Bahraini Dinars and earns interest ranges from 4.75% to 5.20% per annum (2024: ranges from 5.25% to 5.60% for per annum).

At 31 December 2025, the Group has available BD 600,000 (2024: BD 600,000) of undrawn committed borrowing facilities.

13. SHARE CAPITAL

a) Share capital

	2025	2024
	BD	BD
Authorised:		
300,000,000 (2024: 300,000,000) shares of 100 fils each	30,000,000	30,000,000
Issued, subscribed and fully paid-up:		
225,994,863 (2024: 225,994,863) shares of 100 fils each	22,599,487	22,599,487

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As at 31 December 2025

13. SHARE CAPITAL (continued)

b) Major shareholders

Names and nationalities of the major shareholders, along with the number of shares held by each shareholder with an ownership interest of 5% or more in the outstanding shares:

	Nationality	Number of shares At 31 December		Shareholding At 31 December	
		2025	2024	2025	2024
Bahrain Mumtalakat Holding Co. B.S.C.(c)	Bahraini	57,558,331	57,558,331	25.50%	25.47%
Social Insurance Organization	Bahraini	28,382,960	28,382,960	12.57%	12.56%
Family Investment Company Limited	Bahraini	24,567,970	24,428,215	10.88%	10.81%
Y.K.Almoayyed & Sons B.S.C (c)	Bahraini	14,309,817	14,309,817	6.34%	6.33%

c) Additional information on shareholding pattern

- The Group has only one class of equity shares and the holders of the shares have equal voting rights.
- Distribution schedule of equity shares, setting out the number of holders and percentage in the following categories for the year ended 31 December:

Categories:	2025		
	Number of shareholders	Number of shares	% of total outstanding shares *
Less than 1 %	3,658	74,337,209	32.93%
1 % up to less than 5 %	8	40,954,226	18.14%
5 % up to less than 10 %	2	28,322,762	12.55%
10% up to less than 20%	1	24,567,970	10.88%
20% up to less than 50%	1	57,558,331	25.50%
Total	3,670	225,740,498	100%

Categories:	2024		
	Number of shareholders	Number of shares	% of total outstanding shares *
Less than 1 %	3,644	70,326,546	31.12%
1 % up to less than 5 %	7	30,988,994	13.71%
5 % up to less than 10 %	1	14,309,817	6.33%
10% up to less than 20%	2	52,811,175	23.37%
20% up to less than 50%	1	57,558,331	25.47%
Total	3,655	225,994,863	100%

* Expressed as a % of the total outstanding issued and fully paid shares excluding treasury shares purchased as of 31 December 2025 (2024: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As at 31 December 2025

13. SHARE CAPITAL (continued)

c) Additional information on shareholding pattern (continued)

The details of the total ownership interest held by the directors are as follows:

Director	Number of shares at 31 December		% of total outstanding share capital at 31 December	
	2025	2024	2025	2024
Hala Farooq Yusuf Almoayyed	932,060	-	0.41%	0.00%
Mohamed Jasim Mohamed Buzizi	500,000	448,706	0.22%	0.20%
Fawzi Ahmed Ali Kanoo	59,145	198,900	0.03%	0.09%
Adel Hussain Mahdi Almasqati	56,508	56,508	0.03%	0.03%
Fahad Fawzi Ahmed Ali Kanoo	39,751	22,249	0.02%	0.01%
Mohamed Sharif Mohamed Ahmadi	617	-	0.00%	0.00%
Husain Abdulhameed Husain Alshehab	1	1	0.00%	0.00%
Farooq Yusuf Khalil Almoayyed	-	4,275,633	0.00%	1.89%

The details of the total ownership interest held by the directors along with the entities controlled, jointly controlled or significantly influenced by them are as follows:

	2025 BD	2024 BD
Number of shares	129,606,076	136,092,341
Percentage of holdings	57.41%	60.22%

14. TREASURY SHARES

Treasury shares represent the purchase by the Company of its own shares. The Group held 254,365 shares (2024: nil shares) as at 31 December 2025.

	2025 BD	2024 BD
Number of treasury shares	254,365	-
Treasury shares as a percentage of total shares in issue	0.11%	-
Cost of treasury shares (BD / share)	0.444	-
Market price of treasury shares (BD / share)	0.402	-
Market value of treasury shares (BD)	102,255	-

15. SHARE PREMIUM

The share premium arose on the issuance of new shares and this can only be utilised as stipulated in the Bahrain Commercial Companies Law.

16. OTHER RESERVES

a) Statutory reserve

As required by the Bahrain Commercial Companies Law and the Company's articles of association, 10% of the profit for the year is to be transferred to statutory reserve every year. The Company may resolve to discontinue such annual transfers when the reserve totals 50% of the issued and paid-up share capital. The Company discontinued further transfer of profit to statutory reserve as the reserve equalled 50% of the paid-up capital of the Group.

The reserve cannot be utilised for the purpose of distribution except in such circumstances as stipulated in the Bahrain Commercial Companies Law.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As at 31 December 2025

16. OTHER RESERVES (continued)

b) General reserve

The general reserve has been made in accordance with the articles of association of the Group. The Group may resolve to discontinue such annual transfers, when deemed appropriate. There are no restrictions on the distribution of this reserve.

c) Charity reserve

The charity reserve has been made in accordance with the articles of association of the Company to support the Group's charitable mission. The Group may resolve to discontinue such annual transfers, when deemed appropriate. There are no restrictions on the distribution of this reserve.

d) Foreign currency reserve

The foreign currency translation reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operation.

e) Fair value reserve

This reserve relates to fair value changes of investments carried at fair value through other comprehensive income.

17. DIVIDENDS PAID AND PROPOSED

At the annual general meeting of the shareholders held on 24 March 2025, a final cash dividend of 25 fils per share, totalling BD 5,649,872 for the year ended 31 December 2024 was declared and paid. (2024: At the annual general meeting of the shareholders held on 25 March 2024, a final cash dividend of 25 fils per share, totalling BD 5,649,872 for the year ended 31 December 2023 was declared and paid.)

A cash dividend of 25 fils per share excluding treasury shares totalling BD 5,643,512 has been proposed by Board of Directors and will be submitted for formal approval of shareholders at the Annual General Meeting.

18. EMPLOYEES' END OF SERVICE BENEFITS

Movements in the provision of employees' end of service benefits recognised in the consolidated statement of financial position during the years, are as follows:

	2025 BD	2024 BD
At 1 January	955,522	1,075,711
Charge for the year	225,891	275,759
Paid during the year to employees	(109,940)	(233,291)
Paid during the year to Social Insurance Organization	(179,450)	(139,116)
Transfer made during the year (note 28)	-	(23,541)
At 31 December	892,023	955,522

Effective 1 March 2024, pursuant to an Edict number 109 of 2023 issued by His Royal Highness the Prime Minister of the Kingdom of Bahrain, certain portion of the end of service benefits' liability has been transferred to the Social Insurance Organization (SIO), representing the amounts paid by the Company to the SIO on a monthly basis starting 1 March 2024. Such portion of liability would be settled directly by the SIO when the relevant employees leave the Group.

The Group's contributions in respect of Bahraini employees for the year was BD 275,654 (2024: BD 279,229). The Group has a workforce of 1,166 employees at 31 December 2025 (2024: 1,171 employees).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As at 31 December 2025

19. TRADE PAYABLES

	2025 BD	2024 BD
Trade payables to third parties	1,899,613	1,748,636
Trade payables to related parties (note 28)	79,588	178,110
	1,979,201	1,926,746

Terms and conditions of the above financial liabilities are as follows:

- Trade payables are non-interest bearing and are normally settled on 15 to 45 days terms.
- For terms and conditions relating to amounts due to related parties, refer to note 28.

20. ACCRUED EXPENSES AND OTHER LIABILITIES

	2025 BD	2024 BD
Accrued expenses	972,997	1,274,663
Contract liabilities (note 22)	257,480	495,663
Retention payables to contractors	151,248	203,838
Accrued staff benefits	1,252,867	1,338,376
Government levy and accommodation fees	471,303	296,642
Unclaimed dividend	68,741	70,257
Value added tax payable - net	276,742	359,624
Other payables	403,147	408,255
	3,854,525	4,447,318

Terms and conditions of the above financial liabilities are as follows:

- Retention payables to contractors are non-interest bearing and are normally settled on 360 days terms.
- Accrued staff benefits include accruals for wages and salaries, bonus, sick leave, annual leave, medical and other benefits.
- Other payables are non-interest bearing and have terms ranging between one to three months.
- Government levy and accommodation fees are payable within 30 day from the end of each quarter.
- Unclaimed dividends are payable on demand.
- Value added tax payable is adjustable against input value added tax and is payable to the Government with in 30 days from the end of each month.

21. LEASES

Group as a lessor

The Group has entered into operating leases on its investment property portfolio consisting of certain office and residential buildings (note 6). These leases have terms of between one and fifteen years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are, as follows:

	2025 BD	2024 BD
Within one year	1,143,940	1,202,355
After one year but not more than five years	2,801,758	3,286,818
More than 5 years	1,579,366	600,276
	5,525,064	5,089,449

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As at 31 December 2025

22. REVENUE FROM CONTRACTS WITH CUSTOMERS

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

	2025 BD	2024 BD
Food and beverages	23,490,006	23,429,193
Hotel rooms	12,189,021	12,009,351
Others*	1,268,017	1,288,872
	36,947,044	36,727,416
Geographical markets		
Kingdom of Bahrain	33,392,493	33,231,795
United Arab Emirates	3,485,775	3,304,739
Sri Lanka	68,776	190,882
	36,947,044	36,727,416
Timing of revenue recognition		
Goods and services transferred at a point in time	24,758,023	24,718,065
Goods and services transferred over time	12,189,021	12,009,351
	36,947,044	36,727,416

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

	2025 BD	2024 BD
Contract balances		
Trade receivables - net (note 10)	2,245,058	1,963,176
Contract liabilities (note 20)	(257,480)	(495,663)
	1,987,578	1,467,513

Set out below is the amount of revenue recognised from:

	2025 BD	2024 BD
Amounts included in contract liabilities at the beginning of the year	291,045	455,946

23. RENTAL AND OTHER INCOME

	2025 BD	2024 BD
Rental income	1,902,274	1,551,308
Management fee	363,687	384,131
Net foreign exchange	3,213	141,119
Gain on disposals of property and equipment	21,869	7,322
Other income	619,332	423,998
	2,910,375	2,507,878

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As at 31 December 2025

24. STAFF COSTS

	2025 BD	2024 BD
<i>Staff costs</i>		
Salaries and allowances	7,243,905	6,653,016
Other staff benefits	3,256,404	3,070,145
Long term staff benefits	514,769	554,988
	11,015,078	10,278,149

25. OTHER OPERATING EXPENSES

	2025 BD	2024 BD
Commission	1,571,488	1,668,737
Guest supplies	659,590	538,002
Maintenance	748,010	645,901
Legal, license and professional fee	300,651	358,014
Entertainment	456,542	407,290
Directors' sitting fee and remuneration	339,808	348,241
Marketing	332,658	288,873
Information technology	279,719	286,386
Municipality and taxes	50,835	50,419
Foreign exchange loss	-	58,077
Donation	66,172	53,186
Other expenses	1,959,654	2,065,987
	6,765,127	6,769,113

26. EARNINGS PER SHARE

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

	2025 BD	2024 BD
Profit for the year - BD	9,780,859	8,856,516
Weighted average number of shares, net of treasury shares	225,585,656	225,994,863
Basic and diluted earnings per share (fils)	43	39

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

There have been no other transactions involving ordinary or potential ordinary shares between the reporting date and the date of issue of these consolidated financial statements, that would have a dilutive effect.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As at 31 December 2025

27. COMMITMENTS AND CONTINGENCIES

a) Commitments

Capital expenditure

As at 31 December 2025, the Group has capital commitments amounted to BD 1,896,675 (2024: BD 3,144,822) arising from multiple contracts. The commitments are expected to be settled within 1 to 2 years from the reporting date.

b) Contingencies

At 31 December 2025, the Group had contingent liabilities in respect of the bank guarantees amounting to BD 203,331 (2024: BD 190,264) from which it is anticipated that no material liabilities will arise.

As of 31 December 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 or claims.

28. 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 consolidated statement of profit or loss and other comprehensive income are as follows:

	2025	2024
	BD	BD
Major shareholders and their affiliates		
<i>Revenue and other income</i>		
Revenue	62,081	281,638
Management fee income	241,118	237,373
	303,199	519,011
<i>Expenses</i>		
Purchases	2,298,410	1,277,714
	2025	2024
	BD	BD
Associates and a joint venture		
<i>Revenue and other income</i>		
Revenue	221,791	171,186
Management fee income	26,061	29,933
Share of results of associates and a joint venture	1,806,858	1,724,701
Share of other comprehensive income (loss) from associates	2,680	(63,939)
Other equity movement	-	(27,381)
Dividends received	1,700,000	1,900,000
<i>Expenses</i>		
Purchases	450,004	608,048
Employees' end of service benefits		
Transfer made during the year	-	(23,541)
Directors and related affiliates		
<i>Revenue and other income</i>		
Revenue	18,914	35,939

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As at 31 December 2025

28. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

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

	Trade receivables	Other receivables	Trade payables
	BD	BD	BD
As at 31 December 2025			
Major shareholders and their affiliates	10,350	-	28,778
Associates and a joint venture	119,346	656,521	50,810
Directors and related affiliates	12,901	-	-
	142,597	656,521	79,588
As at 31 December 2024			
Major shareholders and their affiliates	40,598	-	95,613
Associates and a joint venture	63,034	707,771	82,497
Directors and related affiliates	5,837	-	-
	109,469	707,771	178,110

Terms and conditions

Transactions with related parties during the year were held in ordinary course of business. Balances with related parties are unsecured, interest free, settlement normally occurs in cash and are generally receivable/ payable on demand.

The Group has not recognized any expected credit losses on amounts receivable from related parties, as management of the Group has assessed the risk of default on these balances to be low.

Compensation of key management personnel

The remuneration of directors and other members of key management during the years ended was as follows:

	2025	2024
	BD	BD
Salaries and short-term employee benefits	652,246	469,092
Post employment benefits	15,629	15,311
Directors sitting fees	330,007	305,468
	997,882	789,871

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise of trade payables and a portion of accrued and other liabilities. The main purpose of these financial liabilities is to finance the Group's day-to-day operations and capital expenditure. The Group has a trade receivables, portion of prepayments and other receivables, cash, bank balances and bank deposit that arise directly from its operations. The Group also holds investments. The Group is exposed to market, credit, liquidity and operational risks.

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's executive management oversees the management of these risks.

The Group's executive management is advises on financial risks and the appropriate financial risk governance framework for the Group. The Group's executive management also provides assurance to the Group's Board of Directors that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group policies and Group risk appetite.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As at 31 December 2025

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk, equity price risk and foreign currency risk.

The sensitivity of the consolidated statement of profit or loss is the effect of the assumed changes in market risk. This is based on the financial assets and financial liabilities held at 31 December 2025 and at 31 December 2024.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is not exposed to interest rate risk as there are no variable interest-bearing assets or liabilities within Group's portfolio.

Equity price risk

The Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management and Investment Committee on a regular basis. The Group's Investment Committee reviews and approves all equity investment decisions.

The following table demonstrates the sensitivity of the changes in fair value to reasonably possible changes in equity value, with all other variables held constant.

	Change in equity's fair value	Effect on other comprehensive income for the year ended 31 December	
		2025 BD	2024 BD
<i>Investments at FVOCI</i>			
- Quoted investments	+10%	861,168	815,161
	-10%	(861,168)	(815,161)
- Unquoted investments	+10%	217,834	217,834
	-10%	(217,834)	(217,834)

Concentration of investment portfolio

Concentration of investment portfolio arises when a number of investments are made in entities engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would be affected by changes in economic, political or other conditions. The Group manages this risk through diversification of investments in terms of investment concentration. The concentration of the Group's investment portfolio as of 31 December, is as follows:

	2025 BD	2024 BD
Quoted equities	8,611,684	8,151,612
Unquoted equities	2,178,343	2,178,343
	10,790,027	10,329,955

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's presentational currency) and the Group's net investments in foreign subsidiaries.

As the Bahraini Dinars and United Arab Emirates Dirhams are pegged to the US Dollars, balances in the US Dollars and currencies pegged with the US Dollars are not considered to represent a significant foreign currency risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As at 31 December 2025

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk (continued)

Foreign currency risk (continued)

The Group's exposure to foreign currency financial assets and liabilities, is as follows:

The table following indicates the Group's sensitivity to foreign currency exposure at 31 December, as a result of its monetary assets and liabilities. The analysis calculates the effect of a 5% upward movement of the Bahraini Dinar currency rate against the Euros, the Pound Sterling (GBP) and other currencies, with all other variables held constant, on the consolidated statement of profit or loss (due to the fair value of currency sensitive monetary assets and liabilities) and the Group's consolidated statement of other comprehensive income due to changes in the net investment in foreign subsidiaries.

	Change in exchange rates	Effect on profit or loss		Effect on other comprehensive income	
		2025 BD	2024 BD	2025 BD	2024 BD
Euro	+ 5%	(2,703)	(637)	-	-
Pound Sterling (GBP)	+ 5%	(4,502)	(357)	-	-
Other currencies	+ 5%	(6,014)	(186)	44,976	41,187

A similar decrease in foreign exchange rates would have an equal and opposite impact on profit or loss, other comprehensive income and equity as disclosed above.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its investing activities, including bank balances and investments in financial instruments.

The maximum credit risk exposure at 31 December 2025 and 31 December 2024 is equal to the carrying value of the financial assets shown in the consolidated statement of financial position, which are net of allowance for expected credit losses and write-offs.

Bank balances, bank deposits and investments in financial instruments

With respect to credit risk from the financial assets of the Group, which comprise bank balances, bank deposits and investments in financial instruments, the Group's exposure to credit risk arises from default of the counterparty. The Group limits credit risk by dealing only with reputable banks.

Trade receivables and amounts due from related parties

The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, trade receivables balances are monitored on an ongoing basis with the result that the Group's exposure to expected credit losses is not significant. The management believes that credit risk associated with the amounts due from related parties is assessed to be low.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Credit risk concentrations

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographic location.

The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The Group sells its products and provides its services to a large number of individuals, companies and government agencies. Its five largest customers account for 14.7% of outstanding trade receivables at 31 December 2025 (31 December 2024: 33.41%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As at 31 December 2025

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Maximum exposure to credit risk

The table below shows the maximum exposure to credit risk for the components of the consolidated statement of financial position headings without taking account of any collateral and other credit enhancements.

	2025	2024
	BD	BD
Trade receivables (note 10)	2,245,058	1,963,176
Other receivables from related parties (note 11)	656,521	707,771
Other receivables from third parties (note 11)	32,960	34,213
Deposits (note 11)	424,919	387,981
Interest accrued (note 11)	140,944	111,506
Bank balances (note 12)	3,329,543	3,274,173
Bank deposits (note 12)	13,520,745	10,004,637
	20,350,690	16,483,457

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group limits its liquidity risk by ensuring adequate bank facilities are available at all times. The Group's terms of sales require amounts to be paid in advance for retail customer and for corporate customer within 30-60 days of the date of sale. Trade payables are non-interest bearing and are normally settled within 15 to 45 days terms.

The table below summarises the maturity profile of the Group's financial liabilities as at 31 December, based on contractual undiscounted payment and current market interest rates.

	On demand	Upto 3 months	3 to 12 months	Total
31 December 2025	BD	BD	BD	BD
Trade payables	-	1,979,201	-	1,979,201
Retention payables to contractors	-	-	151,248	151,248
Unclaimed Dividend	68,741	-	-	68,741
Government levy and accommodation fees	-	471,303	-	471,303
Value added tax payable - net	-	276,742	-	276,742
Other payables	-	403,147	-	403,147
	68,741	3,130,393	151,248	3,350,382
	On demand	Upto 3 months	3 to 12 months	Total
31 December 2024	BD	BD	BD	BD
Trade payables	-	1,926,746	-	1,926,746
Retention payables to contractors	-	-	203,838	203,838
Unclaimed Dividend	70,257	-	-	70,257
Government levy and accommodation fees	-	296,642	-	296,642
Value added tax payable - net	-	359,624	-	359,624
Other payables	-	408,255	-	408,255
	70,257	2,991,267	203,838	3,265,362

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As at 31 December 2025

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Changes in liabilities arising from financing activities

	At 1 January 2025	Receipts	Payments	At 31 December 2025
	BD	BD	BD	BD
Unclaimed dividends	70,257	(5,651,388)	5,649,872	68,741
	At 1 January 2024	Receipts	Payments	At 31 December 2024
	BD	BD	BD	BD
Unclaimed dividends	69,921	(5,649,536)	5,649,872	70,257

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2025 and 31 December 2024, respectively. Equity comprises of share capital, treasury shares, share premium, other reserves and retained earnings attributable to the shareholders of Gulf Hotels Group B.S.C. and is measured at BD 110,251,712 as at 31 December 2025 (2024: BD 105,532,399).

30. 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.

Fair value of financial instruments

Financial instruments of the Group comprise of financial assets and financial liabilities.

Financial assets consist of investments (other than investment in associates and a joint venture), trade receivables, a portion of prepayments and other receivables and cash and bank balances and bank deposits. Financial liabilities consist of trade payables and a portion of accrued expenses and other liabilities.

The fair values of the Group's financial instruments are not materially different from their carrying values at the date of the consolidated statement of financial position.

Fair value of financial instruments is estimated based on the following methods and assumptions:

- Cash and bank balances and bank deposits, 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;
- 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.

Fair value of non-financial instruments

The Group does not measured its non-financial instruments at fair value. However, the Group disclosure the fair value of its investment properties at reporting date and disclosures relating to the fair value have been disclosed in note 6.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As at 31 December 2025

30. FAIR VALUE MEASUREMENTS (continued)

Fair value hierarchy

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

	Date of valuation	Fair value measurement using			Total
		Quoted prices in active markets Level 1 BD	Significant observable inputs Level 2 BD	Significant unobservable inputs Level 3 BD	
31 December 2025					
Assets measured at fair value					
<i>Investments at fair value through other comprehensive income (note 8):</i>					
- quoted investments	31 Dec 2025	8,611,684	-	-	8,611,684
- unquoted investments	31 Dec 2025	-	-	2,178,343	2,178,343
		8,611,684	-	2,178,343	10,790,027

	Date of valuation	Fair value measurement using			Total
		Quoted prices in active markets Level 1 BD	Significant observable inputs Level 2 BD	Significant unobservable inputs Level 3 BD	
31 December 2024					
Assets measured at fair value					
<i>Investments at fair value through other comprehensive income (note 8):</i>					
- quoted investments	31 Dec 2024	8,151,612	-	-	8,151,612
- unquoted 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 31 December 2025 and 31 December 2024.

During the years ended 31 December 2025 and 31 December 2024, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

Level 3 equity securities 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As at 31 December 2025

30. FAIR VALUE MEASUREMENTS (continued)

Reconciliation of fair value measurements of level 3 financial instruments

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

	2025 BD	2024 BD
Balance at 1 January	2,178,343	2,348,399
Net changes in fair values	-	(170,056)
At 31 December	2,178,343	2,178,343

31. SEGMENT 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 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 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.

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

Revenue for the year ended 31 December 2025 in the United Arab Emirates and Sri Lanka amounted to BD 3,554,551 (2024: BD 3,495,621) and incurred loss for the 31 December 2025 amounted to BD 985,660 (2024: loss of BD 1,090,434). The remaining revenue and profit for the twelve-month period then ended is generated from the primary geographical segment in the Kingdom of Bahrain.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As at 31 December 2025

31. SEGMENT REPORTING (continued)

At 31 December 2025, total assets in the United Arab Emirates and Sri Lanka amounted to BD 24,674,881 (2024: BD 25,556,314) and total liabilities amounted to BD 945,456 (2024: BD 846,436). All remaining assets and liabilities arise from the primary geographical segment in the Kingdom of Bahrain.

The following table presents the details of segmental operating results for the year ended 31 December 2025 and 31 December 2024:

	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	12,274,742	12,122,761	23,849,234	23,821,817	1,553,470	1,538,860	(730,402)	(756,022)	36,947,044	36,727,416
Share of results of associates and a joint venture	-	-	-	-	1,806,858	1,724,701	-	-	1,806,858	1,724,701
Dividend income	-	-	-	-	823,780	767,185	-	-	823,780	767,185
Interest income	-	-	-	-	553,059	447,181	-	-	553,059	447,181
Rental and other income	-	-	-	-	2,910,375	2,507,878	-	-	2,910,375	2,507,878
Total revenue	12,274,742	12,122,761	23,849,234	23,821,817	7,647,542	6,985,805	(730,402)	(756,022)	43,041,116	42,174,361
Staff costs	2,479,119	2,447,394	6,352,072	6,094,716	2,183,887	1,736,039	-	-	11,015,078	10,278,149
Food and beverages cost	-	-	9,476,554	9,283,632	-	-	(670,802)	(392,622)	8,805,752	8,891,010
Depreciation of property and equipment	3,317,116	3,439,036	1,311,555	1,386,104	354,459	629,606	-	-	4,983,130	5,454,746
Depreciation of investment properties	-	-	-	-	34,791	60,694	-	-	34,791	60,694
Utilities	1,216,117	1,150,735	519,923	494,852	179,623	194,362	-	-	1,915,663	1,839,949
(Reversal of allowance) allowance for expected credit losses	(75,279)	3,230	(160,148)	(31,910)	(23,857)	52,864	-	-	(259,284)	24,184
Other operating expenses	3,186,382	3,246,865	2,520,364	2,455,361	1,117,981	1,430,287	(59,600)	(363,400)	6,765,127	6,769,113
Total expenses	10,123,455	10,287,260	20,020,320	19,682,755	3,846,884	4,103,852	(730,402)	(756,022)	33,260,257	33,317,845
Segment profit for the year	2,151,287	1,835,501	3,828,914	4,139,062	3,800,658	2,881,953	-	-	9,780,859	8,856,516

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

	Hotel room operations		Food and beverages		Investment and other activities		Adjustments and eliminations		Consolidated	
	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD
Total assets	54,920,567	48,094,019	32,953,278	29,806,316	29,103,616	34,961,650	-	-	116,977,461	112,861,985
Total liabilities	3,290,125	3,652,275	2,710,672	2,860,005	724,952	817,306	-	-	6,725,749	7,329,586
Capital expenditure	2,876,133	3,191,818	1,517,248	251,219	530,547	111,156	-	-	4,923,928	3,554,193

During the year, 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 and equity for the year ended December 31, 2024.

32. COMPARATIVES

Certain comparative amounts in these consolidated financial statements have been reclassified to conform with the current year presentation. Such reclassifications had no impact on previously reported profit or equity.