

Gulf Hotels Group B.S.C.

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

31 MARCH 2026 (REVIEWED)

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

Introduction

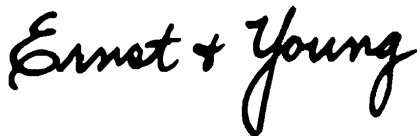
We have reviewed the accompanying interim condensed consolidated financial statements of Gulf Hotels Group B.S.C. ("the Company") and its subsidiaries (together "the Group") as at 31 March 2026, comprising of the interim consolidated statement of financial position as at 31 March 2026 and the related interim consolidated statements of profit or loss and other comprehensive income, cash flows and changes in equity for the three-month period then ended and related explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

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

Conclusion

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



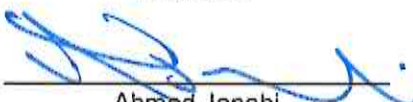
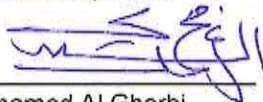


Partner's Registration No. 115
13 May 2026
Manama, Kingdom of Bahrain

Gulf Hotels Group B.S.C.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2026

		31 March 2026 (Reviewed) BD	31 December 2025 (Audited) BD
ASSETS			
Non-current assets			
Property and equipment		73,038,323	73,669,233
Investment properties		562,509	566,542
Investments in associates and a joint venture	5	6,242,488	7,107,768
Prepayments and other receivables		355,521	457,521
Investments	6	10,814,836	10,790,027
		<u>91,013,677</u>	<u>92,591,091</u>
Current assets			
Inventories		2,936,167	3,129,228
Trade receivables		2,327,260	2,245,058
Prepayments and other receivables		2,964,855	1,994,559
Cash, bank balances and bank deposits	7	11,945,919	17,017,525
		<u>20,174,201</u>	<u>24,386,370</u>
TOTAL ASSETS		<u>111,187,878</u>	<u>116,977,461</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	8	22,599,487	22,599,487
Treasury shares	8	(117,666)	(112,916)
Share premium		17,514,442	17,514,442
Reserves		21,737,416	21,821,234
Retained earnings		43,952,769	48,429,465
Total equity		<u>105,686,448</u>	<u>110,251,712</u>
Non-current liability			
Employees' end of service benefits		914,018	892,023
Current liabilities			
Trade payables		2,013,382	1,979,201
Accrued expenses and other liabilities		2,574,030	3,854,525
		<u>4,587,412</u>	<u>5,833,726</u>
Total liabilities		<u>5,501,430</u>	<u>6,725,749</u>
TOTAL EQUITY AND LIABILITIES		<u>111,187,878</u>	<u>116,977,461</u>
 _____ Fawzi Ahmad Kanoo Chairman		 _____ Hala Farouk Almoayyed Vice Chairperson	
 _____ Ahmed Janahi Chief Executive Officer		 _____ Mohamed Al Gharbi Chief Financial Officer	

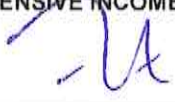
The attached notes 1 to 16 form part of these interim condensed consolidated financial statements.

Gulf Hotels Group B.S.C.


INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME


For the three-month period ended 31 March 2026 (Reviewed)

	Note	<i>Three-month period ended</i>	
		<i>31 March</i> 2026 BD	<i>31 March</i> 2025 BD
Revenue	9	6,823,859	8,610,739
Share of results of associates and a joint venture	5	219,267	320,794
Dividend income		704,561	600,785
Interest income		185,789	150,064
Rental and other income		583,971	708,249
TOTAL INCOME		8,517,447	10,390,631
Staff costs		(2,566,963)	(2,775,383)
Food and beverages costs		(1,625,201)	(1,880,870)
Depreciation		(1,269,536)	(1,327,148)
Utilities		(343,257)	(343,502)
Reversal of allowance for expected credit losses		10,190	78,207
Other operating expenses		(1,570,154)	(1,690,353)
TOTAL EXPENSES		(7,364,921)	(7,939,049)
PROFIT FOR THE PERIOD		1,152,526	2,451,582
BASIC AND DILUTED EARNINGS PER SHARE (FILS)	10	5	11
OTHER COMPREHENSIVE (LOSS) INCOME			
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>			
- Share of other comprehensive income of associates and a joint venture	5	15,453	12,720
- Net changes in fair value of investments at fair value through other comprehensive (loss) income	6	(69,463)	80,364
		(54,010)	93,084
<i>Item to be reclassified to profit or loss in subsequent periods:</i>			
- Foreign exchange differences on translation of foreign operation		(15,958)	(3,139)
Other comprehensive (loss) / income for the period		(69,968)	89,945
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,082,558	2,541,527


Fawzi Ahmad Kanoo
Chairman


Hala Farouk Almoayyed
Vice Chairperson


Ahmed Janahi
Chief Executive Officer


Mohamed Al Gharbi
Chief Financial Officer

The attached notes 1 to 16 form part of these interim condensed consolidated financial statements.

Gulf Hotels Group B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the three-month period ended 31 March 2026 (Reviewed)

	Note	<i>Three-month period ended</i>	
		31 March 2026 BD	31 March 2025 BD
OPERATING ACTIVITIES			
Profit for the period		1,152,526	2,451,582
Adjustments to reconcile profit to net cash flows:			
Depreciation		1,269,536	1,327,148
Share of results of associates and a joint venture	5	(219,267)	(320,794)
Dividend income		(704,561)	(600,785)
Interest income		(185,789)	(150,064)
Reversal of allowance for expected credit losses		(10,190)	(78,207)
Provision for employees' end of service benefits		67,797	73,212
Operating profit before working capital changes		1,370,052	2,702,092
Working capital changes:			
Inventories		193,061	(60,543)
Trade receivables		(72,012)	6,469
Prepayments and other receivables		(466,230)	(252,518)
Trade payables		34,181	(429,312)
Accrued expenses and other liabilities		(1,055,495)	(1,018,062)
Cash generated from operations		3,557	948,126
Directors' remuneration paid		(225,000)	(199,533)
Employees' end of service benefits paid		(45,802)	(43,776)
Net cash flows (used in) from operating activities		(267,245)	704,817
INVESTING ACTIVITIES			
Purchase of property and equipment		(634,593)	(1,145,972)
Additions to investments at fair value through other comprehensive income	6	(94,272)	-
Bank deposits	7	(1,362,664)	4,096,911
Interest received		237,126	146,979
Dividend received from an associate	5	1,100,000	700,000
Dividends received		251,158	235,245
Net cash flows (used in) from investing activities		(503,245)	4,033,163
FINANCING ACTIVITIES			
Dividend paid	11	(5,643,072)	-
Purchase of treasury shares	8	(4,750)	-
Cash flows used in financing activities		(5,647,822)	-
NET CHANGE IN CASH AND CASH EQUIVALENTS		(6,418,312)	4,737,980
Net foreign exchange difference		(15,958)	(3,139)
Cash and cash equivalents at 1 January		12,348,140	9,250,509
CASH AND CASH EQUIVALENTS AT 31 MARCH	7	5,913,870	13,985,350

Non-cash items:

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

- i) Dividend receivable amounting to BD 453,403 (31 March 2025: BD 365,540) and accrued interest amounting to BD 89,607 (31 March 2025: BD 114,591) has been excluded from movement in prepayments and other receivables.
- ii) Dividend payable amounting to BD 68,741 (31 March 2025: BD 5,718,613) has been excluded from movement in accrued expenses and other liabilities.

The attached notes 1 to 16 form part of these interim condensed consolidated financial statements.

Gulf Hotels Group B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three-month period ended 31 March 2026 (Reviewed)

	Reserves							Total reserves BD	Retained earnings BD	Total equity BD
	Share capital BD	Share premium BD	Statutory reserve BD	General reserve BD	Charity reserve BD	Foreign currency reserve BD	Fair value reserve BD			
Balance at 1 January 2025	22,599,487	17,514,442	11,324,744	5,000,000	1,539,945	83,853	3,344,642	21,293,184	44,125,286	105,532,399
Profit for the period	-	-	-	-	-	-	-	-	2,451,582	2,451,582
Other comprehensive (loss) / income for the period	-	-	-	-	-	(3,139)	93,084	89,945	-	89,945
Total comprehensive (loss) / income for the period	-	-	-	-	-	(3,139)	93,084	89,945	2,451,582	2,541,527
Dividend (note 11)	-	-	-	-	-	-	-	-	(5,649,872)	(5,649,872)
Balance at 31 March 2025	22,599,487	17,514,442	11,324,744	5,000,000	1,539,945	80,714	3,437,726	21,383,129	40,926,996	102,424,054

	Reserves							Total reserves BD	Retained earnings BD	Total equity BD	
	Share capital BD	Treasury shares BD	Share premium BD	Statutory reserve BD	General reserve BD	Charity reserve BD	Foreign currency reserve BD				Fair value reserve BD
Balance at 1 January 2026	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
Profit for the period	-	-	-	-	-	-	-	-	-	1,152,526	1,152,526
Other comprehensive loss for the period	-	-	-	-	-	-	(15,958)	(54,010)	(69,968)	-	(69,968)
Total comprehensive (loss) income for the period	-	-	-	-	-	-	(15,958)	(54,010)	(69,968)	1,152,526	1,082,558
Purchase of treasury shares (note 8)	-	(4,750)	-	-	-	-	-	-	-	-	(4,750)
Utilised during the period	-	-	-	-	-	(13,850)	-	-	(13,850)	13,850	-
Dividend (note 11)	-	-	-	-	-	-	-	-	-	(5,643,072)	(5,643,072)
Balance at 31 March 2026	22,599,487	(117,666)	17,514,442	11,299,744	5,000,000	1,459,923	95,068	3,882,681	21,737,416	43,952,769	105,686,448

The attached notes 1 to 16 form part of these interim condensed consolidated financial statements.

Gulf Hotels Group B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2026 (Reviewed)

1 ACTIVITIES

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

This interim condensed consolidated financial information comprise the results of the Company and its subsidiaries (collectively, the "Group") for the three-month period ended 31 March 2026.

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, United Arab Emirate. Additionally, the Group oversees the retail operations of Gulf Brand International in the Kingdom of Bahrain, GHG Colombo in Sri Lanka. Moreover, the Group manages multiple restaurants owned by GHG Hospitality W.L.L. and provides the laundry services through Gulf Hotel Laundry W.L.L. The Group is also a shareholder and operator of Bahrain Airport Hotel Company W.L.L. 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 March 2026	31 December 2025			
Gulf Hotel Laundry Services W.L.L.	100%	100%	Subsidiary	Kingdom of Bahrain	Provision of laundry services.
Bahrain Tourism Company - Crowne Plaza Bahrain W.L.L.	100%	100%	Subsidiary	Kingdom of Bahrain	Owning and operating a hotel and investing activities
Novotel Bahrain Al Dana Resort W.L.L.	100%	100%	Subsidiary	Kingdom of Bahrain	Hotel operations
GHG Hospitality W.L.L.	100%	100%	Subsidiary	Kingdom of Bahrain	Operating restaurants
Bahrain Family Leisure Company B.S.C.	28.06%	28.06%	Associate	Kingdom of Bahrain	Operating restaurants, provision of family entertainment.
African and Eastern (Bahrain) W.L.L.	33.33%	33.33%	Associate	Kingdom of Bahrain	Importing and selling alcohol beverage
Bahrain Airport Hotel Company W.L.L.	51%	51%	Joint venture	Kingdom of Bahrain	Owning and operating a hotel
Grand Mercure Hotel Business Bay L.L.C.	100%	100%	Subsidiary	United Arab Emirates	Hotel operations
GHG Investments L.L.C.	100%	100%	Subsidiary	United Arab Emirates	Investment and other activities

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2026 (Reviewed)

1 ACTIVITIES (continued)

Name	Ownership interest		Relationship	Country of incorporation	Principal activities
	31 March 2026	31 December 2025			
GH Gulf Investment Limited	100%	100%	Subsidiary	United Arab Emirates	Investment and other activities
GHG Colombo (Private) Limited	100%	100%	Subsidiary	Sri Lanka	Retail operations

The interim condensed consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 13 May 2026.

2 BASIS OF PREPARATION AND CHANGES TO THE MATERIAL ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial statements for the three-month period ended 31 March 2026 have been prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting".

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025. In addition, results for the three month periods ended 31 March 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

New and amended standards and improvements adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of amended standards and improvements as of 1 January 2026. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- *Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 : In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:*
 - i) *Clarifications of the requirements for recognition and derecognition of financial assets and financial liabilities. In particular, a financial liability is derecognised on the 'settlement date' and an accounting policy choice is introduced (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date.*
 - ii) *Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed.*
 - iii) *Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments.*
 - iv) *The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI);*

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2026 (Reviewed)

2 BASIS OF PREPARATION AND CHANGES TO THE MATERIAL ACCOUNTING POLICIES (continued)

New and amended standards and improvements adopted by the Group (continued)

- *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 improvements 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 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, and they:*
 - i) *Clarify the application of the ‘own-use’ requirements for in-scope contracts.*
 - ii) *Amend the designation requirements for a hedged item in a cash flow hedging relationship for in - scope contracts.*
 - iii) *Add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.*

The above amendments and improvements had no material impact on Group’s interim condensed consolidated financial statements.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The significant accounting judgements and estimates used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025.

4 SEASONALITY OF RESULTS

Due to the nature of Hotel room operations, October to April is usually a busy season. In addition, the dividend income for the three-month period ended 31 March 2026 amounting to BD 704,561 (31 March 2025: BD 600,785) is also seasonal in nature.

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

Gulf Hotels Group B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2026 (Reviewed)

5 INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE

	<i>African and Eastern (Bahrain) W.L.L. BD</i>	<i>Bahrain Family Leisure Company B.S.C. BD</i>	<i>Bahrain Airport Hotel Company W.L.L. BD</i>	<i>Total BD</i>
31 March 2026 (Reviewed)				
Balance at 1 January 2026	6,659,198	281,465	167,105	7,107,768
Share of profit / (loss) for the period	271,995	(20,567)	(32,161)	219,267
Share of other comprehensive income for the period	15,453	-	-	15,453
Dividend received	(1,100,000)	-	-	(1,100,000)
Balance at 31 March 2026	5,846,646	260,898	134,944	6,242,488
31 December 2025 (Audited)				
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
Dividend received	(1,700,000)	-	-	(1,700,000)
Balance at 31 December 2025	6,659,198	281,465	167,105	7,107,768

The Group's share in associates' and the joint venture's commitments for capital expenditure was BD 35,273 as of 31 March 2026 (31 December 2025 (audited): BD 134,922) arising from the construction of retail store in Mina Salman, Kingdom of Bahrain, which is expected to be completed by May 2026.

The Group's share in the associates' and joint venture's contingent liabilities as of 31 March 2026, arising in the ordinary course of business which includes an outstanding letter of guarantee and tender cheques amounting to BD 1,250 (31 December 2025 (audited): BD 1,250).

The share of results of the associates and a joint venture is recognised based on the approved management accounts for the three-month period ended 31 March 2026 and audited accounts for year ended 31 December 2025.

6 INVESTMENTS

	31 March 2026 (Reviewed) BD	31 December 2025 (Audited) BD
<i>At fair value through other comprehensive income:</i>		
- Quoted equity investments	8,542,221	8,611,684
- Unquoted equity investments	2,272,615	2,178,343
	10,814,836	10,790,027

Gulf Hotels Group B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2026 (Reviewed)

6 INVESTMENTS (continued)

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

	31 March 2026 (Reviewed) BD	31 December 2025 (Audited) BD
At beginning of the period / year	10,790,027	10,329,955
Additions / disposals during the period / year	94,272	(211,317)
Net changes in fair values	(69,463)	671,389
At the end of the period / year	10,814,836	10,790,027

7 CASH AND CASH EQUIVALENTS

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

	31 March 2026 (Reviewed) BD	31 December 2025 (Audited) BD
Bank balances	4,137,107	3,329,543
Bank deposits	7,642,635	13,520,745
Cash on hand	166,177	167,237
Cash, bank balances and bank deposits	11,945,919	17,017,525
Less: Bank deposits with original maturity exceeding three months	(6,032,049)	(4,669,385)
Cash and cash equivalents	5,913,870	12,348,140

8 SHARE CAPITAL

a) Share capital

	31 March 2026 (Reviewed) BD	31 December 2025 (Audited) BD
Authorised: 300,000,000 (31 December 2025: 300,000,000) shares of 100 fils each	30,000,000	30,000,000
Issued, subscribed and fully paid-up: 225,994,863 (31 December 2025: 225,994,863) shares of 100 fils each	22,599,487	22,599,487

b) Treasury shares

During the period ended 31 March 2026, the Company repurchased 12,000 shares for cash consideration of BD 4,750 (31 March 2025: nil). At 31 March 2026, the Company has repurchased a total of 266,365 shares for cash consideration of BD 117,666 representing 0.12% of the issued share capital of Company as of 31 March 2026 (31 December 2025 (audited): 254,365 shares for cash consideration of BD 112,916 representing 0.11% of the issued share capital of Company) (31 March 2025: nil).

Gulf Hotels Group B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2026 (Reviewed)

9 REVENUE

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

	<i>Three-month period ended</i>	
	<i>31 March</i> 2026 (Reviewed) BD	<i>31 March</i> 2025 (Reviewed) BD
Food and beverages	4,243,107	5,246,240
Hotel rooms	2,349,505	3,071,938
Others *	231,247	292,561
	6,823,859	8,610,739

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

	<i>Three-month period ended</i>	
	<i>31 March</i> 2026 (Reviewed) BD	<i>31 March</i> 2025 (Reviewed) BD
Geographical markets		
Kingdom of Bahrain	6,004,699	7,463,710
United Arab Emirates	818,824	1,109,842
Sri Lanka	336	37,187
	6,823,859	8,610,739
Timing of revenue recognition		
Goods and services transferred at a point in time	4,474,354	5,538,801
Goods and services transferred over time	2,349,505	3,071,938
	6,823,859	8,610,739

10 EARNINGS PER SHARE

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

	<i>Three-month period ended</i>	
	<i>31 March</i> 2026 (Reviewed)	<i>31 March</i> 2025 (Reviewed)
Profit for the period (BD)	1,152,526	2,451,582
Weighted average number of shares, net of treasury shares	225,730,742	225,994,863
Basic and diluted earnings per share (fils)	5	11

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2026 (Reviewed)

10 EARNINGS PER SHARE (continued)

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

11 DIVIDEND

At the Annual General Meeting held on 18 March 2026, the Company's shareholders approved a cash dividend of 25 fils per share, excluding treasury shares, totalling to BD 5,643,512 for the year ended 31 December 2025. Based on the outstanding shares at the 'Record date' of 26 March 2026, a total of BD 5,643,072 has been fully paid as of 31 March 2026 to Bahrain Clear B.S.C. (c) (31 March 2025: at the annual general meeting of the shareholders held on 24 March 2025, a cash dividend of 25 fils per share totalling BD 5,649,872 for the year ended 31 December 2024 was declared and fully paid).

12 RELATED PARTY TRANSACTIONS AND BALANCES

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

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

	<i>Three-month period ended</i>	
	<i>31 March 2026 (Reviewed) BD</i>	<i>31 March 2025 (Reviewed) BD</i>
Major shareholders and their affiliates		
<i>Revenue and other income</i>		
Revenue	31,712	48,890
Management fee income	100,315	60,000
	132,027	108,890
<i>Expenses</i>		
Purchases	175,492	957,332
Associates and a joint venture		
<i>Revenue and other income</i>		
Revenue	31,811	41,314
Management fee income	3,861	7,124
Share of profit from associates and a joint venture	219,267	320,794
Share of other comprehensive income / (loss) from associates	15,453	12,720
Dividend received	1,100,000	700,000
<i>Expenses</i>		
Purchases	36,166	22,504
Directors and related affiliates		
<i>Revenue and other income</i>		
Revenue	2,903	7,902

Gulf Hotels Group B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2026 (Reviewed)

12 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

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

	<i>Trade receivables BD</i>	<i>Other receivables BD</i>	<i>Trade payables BD</i>
As at 31 March 2026 (Reviewed)			
Major shareholders and their affiliates	42,927	-	24,989
Associates and joint venture	11,652	563,708	24,223
Directors and related affiliates	930	-	-
	55,509	563,708	49,212
	<i>Trade receivables BD</i>	<i>Other receivables BD</i>	<i>Trade payables BD</i>
As at 31 December 2025 (Audited)			
Major shareholders and their affiliates	10,350	-	28,778
Associates and joint venture	119,346	656,521	50,810
Directors and related affiliates	12,901	-	-
	142,597	656,521	79,588

Terms and conditions

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

Compensation of key management personnel

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

	Three-month period ended	
	31 March 2026 (Reviewed) BD	31 March 2025 (Reviewed) BD
Salaries and short-term employee benefits	292,785	261,485
Post employment benefits	9,733	4,524
Directors sitting fees	20,500	21,300
	323,018	287,309

13 COMMITMENTS AND CONTINGENCIES

a) Commitments

Capital expenditure

As at 31 March 2026, the Group has capital commitments amounted to BD 2,236,628 (31 December 2025 (audited): BD 1,896,675) arising from multiple contracts. The commitments are expected to be settled within 1 to 2 years from the reporting date.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2026 (Reviewed)

13 COMMITMENTS AND CONTINGENCIES (continued)

b) Contingencies

At 31 March 2026, the Group had contingent liabilities comprising bank guarantees amounting to BD 199,380 (31 December 2025 (audited): BD 203,331). No material liabilities are expected to arise from these contingent exposures.

As of 31 March 2026 and as of 31 December 2025, the Group was a party to a small number of legal cases and claims filed against the Group. The Board of Directors are confident that no material liabilities will arise from these cases/claims.

14 FAIR VALUE MEASUREMENT

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

Fair value of financial instruments

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

- a) Cash, bank balances, 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;
- b) The fair values of the quoted investments are determined by reference to published price quotations in an active market and the fair values of unquoted investments have been estimated using indicative bids provided by the fund administrators, using of recent arm's length market transactions, current fair value of another similar instrument or other appropriate valuation techniques.

The fair values of financial assets and liabilities are not materially different from their carrying values as at 31 March 2026 and as at 31 December 2025.

Fair value of non-financial assets and liabilities

The Group does not have any non-financial assets or liabilities which have been remeasured at fair value as at 31 March 2026 and as at 31 December 2025.

Fair value hierarchy

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

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

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

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

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

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

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2026 (Reviewed)

14 FAIR VALUE MEASUREMENT (continued)

Fair value hierarchy (continued)

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

		31 March 2026 (Reviewed)			
	<i>Date of valuation</i>	<i>Quoted prices in active markets Level 1 BD</i>	<i>Significant observable inputs Level 2 BD</i>	<i>Significant unobservable inputs Level 3 BD</i>	<i>Total BD</i>
Assets measured at fair value					
<i>Investments at fair value through other comprehensive income (note 6):</i>					
- Quoted equity investments	31 March 2026	8,542,221	-	-	8,542,221
- Unquoted equity investments	31 March 2026	-	-	2,272,615	2,272,615
		8,542,221	-	2,272,615	10,814,836
		31 December 2025 (Audited)			
	<i>Date of valuation</i>	<i>Quoted prices in active markets Level 1 BD</i>	<i>Significant observable inputs Level 2 BD</i>	<i>Significant unobservable inputs Level 3 BD</i>	<i>Total BD</i>
Assets measured at fair value					
<i>Investments at fair value through other comprehensive income (note 6):</i>					
- Quoted equity investments	31 Dec 2025	8,611,684	-	-	8,611,684
- Unquoted equity investments	31 Dec 2025	-	-	2,178,343	2,178,343
		8,611,684	-	2,178,343	10,790,027

Liabilities measured at fair value:

There were no liabilities measured at fair value as of 31 March 2026 and as of 31 December 2025.

During the three-month period ended 31 March 2026 and year ended 31 December 2025, there were no transfers between Level 1 and Level 2 fair value measurements, and there are no transfers into or out of Level 3 fair value measurements.

Reconciliation of fair value measurement of Level 3 financial assets

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

There were no movement in the fair values of financial assets classified as level 3 category during the three-month period ended 31 March 2026 and year ended 31 December 2025.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2026 (Reviewed)

15 SEGMENTS REPORTING

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

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

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

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

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

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

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

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

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

Revenue for the three-month period ended 31 March 2026 in the United Arab Emirates and Sri Lanka amounted to BD 819,160 (three-month period ended 31 March 2025: BD 1,147,029) and loss for the three-month period ended 31 March 2026 amounted to BD 202,001 (three-month period ended 31 March 2025: loss amounted to BD 40,333). The remaining revenue and profit for the three-month period then ended is generated from the primary geographical segment in the Kingdom of Bahrain.

At 31 March 2026, total assets in the United Arab Emirates and Sri Lanka amounted to BD 24,281,429 (31 December 2025 (audited): BD 24,674,881) and total liabilities amounted to BD 770,027 (31 December 2025 (audited): BD 945,456). All remaining assets and liabilities arise from the primary geographical segment in the Kingdom of Bahrain.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2026 (Reviewed)

15 SEGMENTS REPORTING (continued)

The following table presents the details of segmental operating results for the three-month periods ended 31 March 2026 and 31 March 2025:

<i>Three-months period ended</i> 31 March (Reviewed)	<i>Hotel room operations</i>		<i>Food and beverages</i>		<i>Investment and other activities</i>		<i>Adjustments and eliminations</i>		<i>Consolidated</i>	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>
Revenue	2,370,790	3,090,227	4,287,493	5,333,708	272,258	364,231	(106,682)	(177,427)	6,823,859	8,610,739
Share of results of associates and a joint venture	-	-	-	-	219,267	320,794	-	-	219,267	320,794
Dividend income	-	-	-	-	704,561	600,785	-	-	704,561	600,785
Interest income	-	-	-	-	185,789	150,064	-	-	185,789	150,064
Rental and other income	-	-	-	-	583,971	708,249	-	-	583,971	708,249
Total revenue	2,370,790	3,090,227	4,287,493	5,333,708	1,965,846	2,144,123	(106,682)	(177,427)	8,517,447	10,390,631
Staff costs	(610,935)	(641,917)	(1,512,189)	(1,651,019)	(443,839)	(482,447)	-	-	(2,566,963)	(2,775,383)
Food and beverages costs	-	-	(1,720,321)	(1,968,338)	-	-	95,120	87,468	(1,625,201)	(1,880,870)
Depreciation	(764,189)	(887,478)	(393,152)	(331,423)	(112,195)	(108,247)	-	-	(1,269,536)	(1,327,148)
Utilities	(210,400)	(212,723)	(90,081)	(92,121)	(42,776)	(38,658)	-	-	(343,257)	(343,502)
Allowance / (reversal of allowance) for expected credit losses	(2,636)	27,012	31,344	37,719	(18,518)	13,476	-	-	10,190	78,207
Other operating expenses	(685,698)	(787,390)	(640,783)	(653,232)	(255,235)	(339,690)	11,562	89,959	(1,570,154)	(1,690,353)
Total expenses	(2,273,858)	(2,502,496)	(4,325,182)	(4,658,414)	(872,563)	(955,566)	106,682	177,427	(7,364,921)	(7,939,049)
Segment profit (loss) for the period	96,932	587,731	(37,689)	675,294	1,093,283	1,188,557	-	-	1,152,526	2,451,582

Gulf Hotels Group B.S.C.

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At 31 March 2026 (Reviewed)

15 SEGMENTS REPORTING (continued)

The following table presents the details of segmental assets and liabilities as at 31 March 2026 and as at 31 December 2025:

	<i>Hotel room operations</i>		<i>Food and beverages</i>		<i>Investment and other activities</i>		<i>Adjustments and eliminations</i>		<i>Consolidated</i>	
	31 March 2026 <i>(Reviewed)</i> BD	<i>31 December 2025</i> <i>(Audited)</i> <i>BD</i>	31 March 2026 <i>(Reviewed)</i> BD	<i>31 December 2025</i> <i>(Audited)</i> <i>BD</i>	31 March 2026 <i>(Reviewed)</i> BD	<i>31 December 2025</i> <i>(Audited)</i> <i>BD</i>	31 March 2026 <i>(Reviewed)</i> BD	<i>31 December 2025</i> <i>(Audited)</i> <i>BD</i>	31 March 2026 <i>(Reviewed)</i> BD	<i>31 December 2025</i> <i>(Audited)</i> <i>BD</i>
Total assets	53,545,899	54,920,567	33,738,358	32,953,278	23,903,621	29,103,616	-	-	111,187,878	116,977,461
Total liabilities	2,960,652	3,290,125	2,273,750	2,710,672	267,028	724,952	-	-	5,501,430	6,725,749
Capital expenditure	318,005	2,876,133	315,121	1,517,248	1,467	530,547	-	-	634,593	4,923,928

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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16 GEOPOLITICAL DEVELOPMENTS IN THE MIDDLE EAST

Geopolitical situation in the Middle East has intensified since 28 February 2026 and continue to evolve. These developments have affected several countries across the Middle East including Kingdom of Bahrain, causing disruption to business and economic activities including effects on hotel industry. This has brought about additional uncertainties in the economic environment. In response, the Group has activated its business continuity arrangements and enhanced its risk management and monitoring practices to address potential operational, credit, and liquidity risks arising from these developments.

On 1 March 2026, the hotel building of Bahrain Tourism Company – Crowne Plaza Bahrain W.L.L. (“Crowne Plaza”), a subsidiary of the Group, sustained damage as a result of a projectile incident, which led to a disruption of operations of Crowne Plaza. The incident resulted in damage to certain components of the building and related property and equipment. Management has carried out an initial assessment of the damage and concluded that the impact is not material to the interim condensed consolidated financial statements.

Management has also evaluated the potential impacts of the situation on the Group financial position, and its operations and its cash flows including inflationary pressure, lower occupancy, elevated energy cost, interest rate changes and the Group ability to continue as going concern. As at the date of approval of interim condensed consolidated financial statements, based on management assessment, no material adverse affect are expected on interim condensed consolidated financial statements of the Group as management expect recovery in upcoming period in light of positive development of peace talks. Given the continued uncertainty surrounding the geopolitical environment, management will continue to monitor development and assess their potential implications on business in future reporting periods.