Gulf Hotels Group B.S.C.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2026 (REVIEWED)

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

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Gulf Hotels Group B.S.C. ("the Company") and its subsidiaries (together "the Group") as at 30 June 2026, comprising of the interim consolidated statement of financial position as at 30 June 2026 and the related interim consolidated statement of profit or loss and other comprehensive income for the three-month and six-month periods then ended and the related interim consolidated statements of cash flows and changes in equity for the six-month period then ended and 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.

Ernst + Young

Partner's Registration No. 115
5 August 2026
Manama, Kingdom of Bahrain

Gulf Hotels Group B.S.C.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Note	**30 June 2026 (Reviewed) BD**	*31 December 2025 (Audited) BD*
ASSETS			
Non-current assets			
Property and equipment		**72,350,376**	73,669,233
Investment properties		**455,705**	566,542
Investments in associates and a joint venture	5	**6,699,102**	7,107,768
Prepayments and other receivables		**355,521**	457,521
Investments	6	**11,535,748**	10,790,027
		91,396,452	92,591,091
Current assets			
Inventories		**2,361,961**	3,129,228
Trade receivables		**1,801,103**	2,245,058
Prepayments and other receivables		**3,539,697**	1,994,559
Cash, bank balances and bank deposits	7	**13,456,498**	17,017,525
		21,159,259	24,386,370
TOTAL ASSETS		**112,555,711**	116,977,461
EQUITY AND LIABILITIES			
Equity			
Share capital	8	**22,599,487**	22,599,487
Treasury shares	8	**(123,342)**	(112,916)
Share premium		**17,514,442**	17,514,442
Reserves		**21,903,145**	21,821,234
Retained earnings		**45,756,508**	48,429,465
Total equity		**107,650,240**	110,251,712
Non-current liability			
Employees' end of service benefits		**924,361**	892,023
Current liabilities			
Trade payables		**1,596,968**	1,979,201
Accrued expenses and other liabilities		**2,384,142**	3,854,525
		3,981,110	5,833,726
Total liabilities		**4,905,471**	6,725,749
TOTAL EQUITY AND LIABILITIES		**112,555,711**	116,977,461

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 17 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 and six-month periods ended 30 June 2026 (Reviewed)

		Three-month period ended		*Six-month period ended*	
		30 June 2026	*30 June 2025*	***30 June 2026***	*30 June 2025*
	Note	***BD***	*BD*	***BD***	*BD*
Revenue	9	**5,982,051**	10,077,815	**12,805,910**	18,688,554
Share of results of associates and a joint venture	5	**349,816**	513,097	**569,083**	833,891
Dividend income		**-**	24,698	**704,561**	625,483
Interest income		**126,030**	94,892	**311,819**	244,956
Rental and other income	10	**2,216,202**	732,523	**2,800,173**	1,440,772
TOTAL INCOME		**8,674,099**	11,443,025	**17,191,546**	21,833,656
Staff costs		**(2,027,951)**	(2,943,061)	**(4,594,914)**	(5,718,444)
Food and beverages costs		**(1,875,832)**	(2,314,510)	**(3,501,033)**	(4,195,380)
Depreciation		**(1,294,746)**	(1,141,737)	**(2,564,282)**	(2,468,885)
Utilities		**(362,113)**	(491,879)	**(705,370)**	(835,381)
Allowance for expected credit losses		**(133,292)**	(101,780)	**(123,102)**	(23,573)
Other operating expenses		**(1,324,928)**	(1,682,714)	**(2,895,082)**	(3,373,067)
TOTAL EXPENSES		**(7,018,862)**	(8,675,681)	**(14,383,783)**	(16,614,730)
PROFIT FOR THE PERIOD		**1,655,237**	2,767,344	**2,807,763**	5,218,926
BASIC AND DILUTED EARNINGS PER SHARE (FILS)	11	**7**	12	**12**	23
OTHER COMPREHENSIVE INCOME (LOSS)					
Items not to be reclassified to profit or loss in subsequent periods:					
- Share of other comprehensive (loss) income of associates and a joint venture	5	**(10,390)**	12,143	**5,063**	24,863
- Net changes in fair value of investments at fair value through other comprehensive income (loss)	6	**321,335**	(223,891)	**251,872**	(143,527)
		310,945	(211,748)	**256,935**	(118,664)
Item to be reclassified to profit or loss in subsequent periods:					
- Foreign exchange differences on translation of foreign operation		**3,286**	4,799	**(12,672)**	1,660
Other comprehensive income (loss) for the period		**314,231**	(206,949)	**244,263**	(117,004)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**1,969,468**	2,560,395	**3,052,026**	5,101,922

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 17 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2026 (Reviewed)

	Note	*Six-month period ended* **30 June 2026 BD**	*30 June 2025 BD*
OPERATING ACTIVITIES			
Profit for the period		**2,807,763**	5,218,926
Adjustments to reconcile profit to net cash flows:			
Depreciation		**2,564,282**	2,468,885
Share of results of associates and a joint venture	5	**(569,083)**	(833,891)
Dividend income		**(704,561)**	(625,483)
Interest income		**(311,819)**	(244,956)
Gain on derecognition of an associate	5	**(547,102)**	-
Gain on sale of an investment property - net	10	**(585,691)**	-
Write-off of property and equipment	17	**146,779**	
Allowance for expected credit losses		**123,102**	23,573
Provision for employees' end of service benefits		**115,831**	144,138
Operating profit before working capital changes		**3,039,501**	6,151,192
Working capital changes:			
Inventories		**767,267**	222,032
Trade receivables		**320,853**	146,044
Prepayments and other receivables		**(1,476,202)**	(779,694)
Trade payables		**(382,233)**	(494,975)
Accrued expenses and other liabilities		**(1,245,383)**	(818,169)
Cash generated from operations		**1,023,803**	4,426,430
Directors' remuneration paid		**(225,000)**	(148,359)
Employees' end of service benefits paid		**(83,493)**	(145,190)
Net cash flows from operating activities		**715,310**	4,132,881
INVESTING ACTIVITIES			
Purchase of property and equipment		**(1,395,676)**	(1,976,649)
Proceeds from disposals of investments at fair value through other comprehensive income		**-**	211,317
Proceeds from disposal of an investment property		**700,000**	-
Additions to investments at fair value through other comprehensive income	6	**(94,263)**	-
Bank deposits	7	**3,018,995**	(4,096,911)
Interest received		**375,105**	191,188
Dividends received from associates	5	**1,130,328**	700,000
Dividends received		**674,339**	625,483
Net cash flows from (used in) investing activities		**4,408,828**	(4,345,572)
FINANCING ACTIVITIES			
Dividend paid	12	**(5,643,072)**	(5,650,911)
Purchase of treasury shares	8	**(10,426)**	(109,311)
Cash flows used in financing activities		**(5,653,498)**	(5,760,222)
NET CHANGE IN CASH AND CASH EQUIVALENTS		**(529,360)**	(5,972,913)
Net foreign exchange difference		**(12,672)**	1,660
Cash and cash equivalents at 1 January		**12,348,140**	13,347,420
CASH AND CASH EQUIVALENTS AT 30 JUNE	7	**11,806,108**	7,376,167

The attached notes 1 to 17 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
For the six-month period ended 30 June 2026 (Reviewed)

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 30,222 (30 June 2025: nil) and accrued interest amounting to BD 77,658 (30 June 2025: BD 53,998) have been excluded from the movement in prepayments and other receivables.

ii) Dividend payable amounting to BD 68,741 (30 June 2025: BD 68,881) has been excluded from the movement in accrued expenses and other liabilities.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 June 2026 (Reviewed)

				Reserves							
	Share capital BD	*Treasury shares BD*	*Share premium BD*	*Statutory reserve BD*	*General reserve BD*	*Charity reserve BD*	*Foreign currency reserve BD*	*Fair value reserve BD*	*Total reserves BD*	*Retained earnings BD*	*Total equity BD*
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	-	-	-	-	-	-	-	-	-	5,218,926	5,218,926
Other comprehensive income / (loss) for the period	-	-	-	-	-	-	1,660	(118,664)	(117,004)	-	(117,004)
Total comprehensive income / (loss) for the period	-	-	-	-	-	-	1,660	(118,664)	(117,004)	5,218,926	5,101,922
Purchase of treasury shares (note 8)	-	(109,311)	-	-	-	-	-	-	-	-	(109,311)
Transfer of fair value reserve of investments at fair value through other comprehensive income	-	-	-	-	-	-	-	(82,020)	(82,020)	82,020	-
Dividend (note 12)	-	-	-	-	-	-	-	-	-	(5,649,872)	(5,649,872)
Balance at 30 June 2025	22,599,487	(109,311)	17,514,442	11,324,744	5,000,000	1,539,945	85,513	3,143,958	21,094,160	43,776,360	104,875,138

				Reserves							
	Share capital BD	***Treasury shares BD***	***Share premium BD***	***Statutory reserve BD***	***General reserve BD***	***Charity reserve BD***	***Foreign currency reserve BD***	***Fair value reserve BD***	***Total reserves BD***	***Retained earnings BD***	***Total equity BD***
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	-	-	-	-	-	-	-	-	-	2,807,763	2,807,763
Other comprehensive (loss) / income for the period	-	-	-	-	-	-	(12,672)	256,935	244,263	-	244,263
Total comprehensive (loss) / income for the period	-	-	-	-	-	-	(12,672)	256,935	244,263	2,807,763	3,052,026
Purchase of treasury shares (note 8)	-	(10,426)	-	-	-	-	-	-	-	-	(10,426)
Transfer of fair value reserve of investment at fair value through other comprehensive income (note 6)	-	-	-	-	-	-	-	(125,817)	(125,817)	125,817	-
Utilised during the period	-	-	-	-	-	(36,535)	-	-	(36,535)	36,535	-
Dividend (note 12)	-	-	-	-	-	-	-	-	-	(5,643,072)	(5,643,072)
Balance at 30 June 2026	**22,599,487**	**(123,342)**	**17,514,442**	**11,299,744**	**5,000,000**	**1,437,238**	**98,354**	**4,067,809**	**21,903,145**	**45,756,508**	**107,650,240**

The attached notes 1 to 17 form part of these interim condensed consolidated financial statements.

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 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 of 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, associates and a joint venture (collectively, the “Group”) for the three-month and six-month periods ended 30 June 2026.

The Group owns and operates the Gulf Hotel, Novotel Bahrain Al Dana Resort and Crowne plaza Hotel in the Kingdom of Bahrain and Grand Mercure Hotel Business Bay in Dubai, United Arab Emirates. 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:

	Ownership interest				
Name	***30 June 2026***	*31 December 2025*	***Relationship***	***Country of incorporation***	***Principal activities***
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.*	10.6%	28.06%	Associate	Kingdom of Bahrain	Operating restaurants, provision of family entertainment.
Paradise Reality B.S.C. (c) **	12.22%	10%	Associate	Kingdom of Bahrain	Hospitality services and managing ocean paradise resort.
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

1 ACTIVITIES (continued)

	Ownership interest				
Name	***30 June 2026***	*31 December 2025*	***Relationship***	***Country of incorporation***	***Principal activities***
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
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

* During the period ended 30 June 2026, the Group ceased to have significant influence over Bahrain Family Leisure Company B.S.C. ("BFLC") as a result of the dilution of its ownership interest following BFLC's acquisition of Truffle Hospitality Holding W.L.L., which was settled through the issuance of new shares (note 5.2).

** During the period ended 30 June 2026, the Group obtained significant influence over Paradise Reality B.S.C. (c) ("Paradise") as a result of the acquisition of additional shares and the shareholder alignment arrangement entered with another shareholder (note 5.1).

The interim condensed consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 5 August 2026.

2 BASIS OF PREPARATION AND CHANGES TO THE MATERIAL ACCOUNTING POLICIES

Basis of preparation
The interim condensed consolidated financial statements are 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 and six-month periods ended 30 June 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 new and amended standards 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:*

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

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

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);

- *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 Statement 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 six-month period ended 30 June 2026 amounting to BD 704,561 (30 June 2025: BD 625,483) is also seasonal in nature.

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

5 INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE

30 June 2026 (Reviewed)	*Paradise Reality B.S.C. (c)* BD	*African and Eastern (Bahrain) W.L.L.* BD	*Bahrain Family Leisure Company B.S.C.* BD	*Bahrain Airport Hotel Company W.L.L.* BD	*Total* BD
Balance at 1 January 2026	**-**	**6,659,198**	**281,465**	**167,105**	**7,107,768**
Acquisition during the period (note 5.1)	**408,414**	**-**	**-**	**-**	**408,414**
Share of (loss) / profit for the period	**(2,867)**	**648,871**	**(20,567)**	**(56,354)**	**569,083**
Share of other comprehensive income for the period	**-**	**5,063**	**-**	**-**	**5,063**
Dividends received	**(30,328)**	**(1,100,000)**	**-**	**-**	**(1,130,328)**
Disposal of an investment in an associate (note 5.2)	**-**	**-**	**(260,898)**	**-**	**(260,898)**
Balance at 30 June 2026	**375,219**	**6,213,132**	**-**	**110,751**	**6,699,102**
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
Dividends received		(1,700,000)	-	-	(1,700,000)
Balance at 31 December 2025		6,659,198	281,465	167,105	7,107,768

5.1 Investment in associate – Paradise Reality B.S.C. (c)

Paradise Reality B.S.C. (c) ("Paradise") owns Ocean Paradise Resort in Zanzibar, which is operated by the Group.

On 13 April 2026, the Group acquired an additional 145,600 shares in Paradise, increasing its ownership interest from 10% to 12.22%, and entered into a shareholder alignment arrangement with another shareholder holding an 8.19% interest. Based on the rights and arrangements in place, management concluded that the Group obtained significant influence over Paradise from that date. Accordingly, the investment, which was previously designated at fair value through other comprehensive income ("FVOCI"), has been accounted for as an associate using the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures.

The aggregate fair value of the previously held interest and the consideration paid for the additional shares acquired, amounting to BD 408,414, was deemed to be the cost of the associate upon initial recognition. The cumulative gain previously recognised in the fair value reserve was transferred directly to retained earnings.

5.2 Disposal of an associate - Bahrain Family Leisure Company B.S.C.

Bahrain Family Leisure Company B.S.C. ("BFLC") is engaged in the operation of restaurants and the provision of family entertainment services.

On 25 November 2024, BFLC entered into an agreement with Dividend Gate Capital W.L.L. ("DGC") for the acquisition of Truffle Hospitality Holding W.L.L. ("Truffle"), with the consideration settled through the issuance of new shares of BFLC. During the period, following the completion of the transaction and issuance of the new shares on 19 May 2026, the Group's ownership interest in BFLC was diluted from 28.06% to 10.60%.

5 INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE (continued)

5.2 Disposal of an associate - Bahrain Family Leisure Company B.S.C. (continued)

As a result, the Group lost significant influence over BFLC and ceased accounting for the investment as an associate using the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures. The retained investment was measured at fair value and classified as an equity investment designated at FVOCI in accordance with IFRS 9 Financial Instruments. The gain recognised on derecognition of the investment in associate was as follows:

	30 June 2026 (Reviewed) BD
Fair value of retained interest (note 6)	**808,000**
Carrying amount of investment disposed	**(260,898)**
Gain on disposal of investment in an associate (note 10)	**547,102**

The Group's share in associates' and the joint venture's commitments for capital expenditure was BD 23,564 as of 30 June 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 August 2026.

The Group's share in the associates' and joint venture's contingent liabilities as of 30 June 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 six-month period ended 30 June 2026 and audited accounts for year ended 31 December 2025.

6 INVESTMENTS

	30 June 2026 (Reviewed) BD	*31 December 2025 (Audited) BD*
At fair value through other comprehensive income:		
- Quoted equity investments	**9,545,738**	8,611,684
- Unquoted equity investments	**1,990,010**	2,178,343
	11,535,748	10,790,027

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

	30 June 2026 (Reviewed) BD	*31 December 2025 (Audited) BD*
At beginning of the period / year	**10,790,027**	10,329,955
Additions during the period / year *	**902,263**	-
Disposals during the period / year (note 5.1)	**(408,414)**	(211,317)
Net changes in fair values during the period / year	**251,872**	671,389
At the end of the period / year	**11,535,748**	10,790,027

* Additions during the period include investment in BFLC of BD 808,000 (note 5.2).

7 CASH AND CASH EQUIVALENTS

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

	30 June 2026 (Reviewed) BD	*31 December 2025 (Audited) BD*
Bank balances	**4,365,283**	3,329,543
Bank deposits	**8,757,787**	13,520,745
Cash on hand	**333,428**	167,237
Cash, bank balances and bank deposits	**13,456,498**	17,017,525
Less: Bank deposits with original maturity exceeding three months	**(1,650,390)**	(4,669,385)
Cash and cash equivalents	**11,806,108**	12,348,140

8 SHARE CAPITAL

a) Share capital

	30 June 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 30 June 2026, the Company repurchased 29,800 shares for cash consideration of BD 10,426 (30 June 2025: 109,311).

As at 30 June 2026, the Company has repurchased a total of 284,165 shares for cash consideration of BD 123,342 representing 0.13% of the issued share capital of Company as of 30 June 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) (30 June 2025: 246,365 shares for cash consideration of BD 109,311 representing 0.11% of the issued share capital of Company).

9 REVENUE

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

	Three-month period ended		***Six-month period ended***	
	30 June 2026 (Reviewed) BD	*30 June 2025 (Reviewed) BD*	***30 June 2026 (Reviewed) BD***	*30 June 2025 (Reviewed) BD*
Food and beverages	**4,780,267**	6,374,102	**9,023,374**	11,620,342
Hotel rooms	**995,569**	3,346,140	**3,345,074**	6,418,078
Others *	**206,215**	357,573	**437,462**	650,134
	5,982,051	10,077,815	**12,805,910**	18,688,554

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

9 REVENUE (continued)

	Three-month period ended		Six-month period ended	
	30 June 2026 (Reviewed) BD	30 June 2025 (Reviewed) BD	**30 June 2026 (Reviewed) BD**	30 June 2025 (Reviewed) BD
Geographical markets				
Kingdom of Bahrain	**5,833,708**	9,319,399	**11,838,407**	16,783,109
United Arab Emirates	**148,343**	753,498	**967,167**	1,863,340
Sri Lanka	**-**	4,918	**336**	42,105
	5,982,051	10,077,815	**12,805,910**	18,688,554
Timing of revenue recognition				
Goods and services transferred at a point in time	**4,986,482**	6,731,675	**9,460,836**	12,270,476
Goods and services transferred over time	**995,569**	3,346,140	**3,345,074**	6,418,078
	5,982,051	10,077,815	**12,805,910**	18,688,554

10 RENTAL AND OTHER INCOME

	Three-month period ended		Six-month period ended	
	30 June 2026 (Reviewed) BD	30 June 2025 (Reviewed) BD	**30 June 2026 (Reviewed) BD**	30 June 2025 (Reviewed) BD
Insurance claim (note 17) *	**600,000**	-	**600,000**	-
Gain on sale of an investment property - net **	**585,691**	-	**585,691**	-
Gain on disposal of an associate (note 5.2)	**547,102**	-	**547,102**	-
Rental income	**385,032**	465,537	**790,399**	970,519
Other income	**88,114**	237,999	**181,055**	393,230
Management fee	**8,896**	20,485	**91,635**	63,585
Net foreign exchange	**1,367**	8,502	**4,291**	13,438
	2,216,202	732,523	**2,800,173**	1,440,772

* The insurance claim of BD 600,000 relates to preliminary compensation recoverable in respect of the Bahrain Tourism Company – Crowne Plaza Bahrain W.L.L. incident (note 17).

** During the period ended, the Group disposed of an investment property with a carrying amount of BD 103,667 for proceeds of BD 700,000 and recognised a net gain of BD 585,691, after deducting direct expenses.

11 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, are as follows:

11 EARNINGS PER SHARE (continued)

	Three-month period ended		***Six-month period ended***	
	30 June 2026 (Reviewed)	*30 June 2025 (Reviewed)*	***30 June 2026 (Reviewed)***	*30 June 2025 (Reviewed)*
Profit for the period (BD)	**1,655,237**	2,767,344	**2,807,763**	5,218,926
Weighted average number of shares, net of treasury shares	**225,725,542**	225,959,960	**225,728,128**	225,959,960
Basic and diluted earnings per share (fils)	**7**	12	**12**	23

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

12 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 30 June 2026 to Bahrain Clear B.S.C. (c) (30 June 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).

13 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:

	Three-month period ended		***Six-month period ended***	
	30 June 2026 (Reviewed) BD	*30 June 2025 (Reviewed) BD*	***30 June 2026 (Reviewed) BD***	*30 June 2025 (Reviewed) BD*
Major shareholders and their affiliates				
Revenue and other income				
Revenue	**31,147**	16,284	**62,859**	65,184
Management fee income	**-**	30,067	**-**	37,837
	31,147	46,351	**62,859**	103,021
Expenses				
Purchases	**398,348**	150,771	**573,840**	1,108,103

13 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

	Three-month period ended		***Six-month period ended***	
	30 June 2026 (Reviewed) BD	*30 June 2025 (Reviewed) BD*	***30 June 2026 (Reviewed) BD***	*30 June 2025 (Reviewed) BD*
Associates and a joint venture				
Revenue and other income				
Revenue	**5,634**	67,700	**37,445**	109,014
Management fee income	**40,781**	5,997	**44,642**	13,121
Share of profit from associates and a joint venture	**349,816**	513,097	**569,083**	833,891
Share of other comprehensive (loss) income from associates	**(10,390)**	12,143	**5,063**	24,863
Dividend received	**30,328**	-	**1,130,328**	700,000
Expenses				
Purchases	**7,295**	191,919	**28,924**	214,423
Directors and related affiliates				
Revenue and other income				
Revenue	**4,776**	3,842	**7,679**	11,744

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

As at 30 June 2026 (Reviewed)	***Trade receivables BD***	***Other receivables BD***	***Trade payables BD***
Major shareholders and their affiliates	**74,641**	**-**	**77,068**
Associates and joint venture	**8,933**	**568,896**	**10,768**
Directors and related affiliates	**4,263**	**-**	**-**
	87,837	**568,896**	**87,836**

As at 31 December 2025 (Audited)	*Trade receivables BD*	*Other receivables BD*	*Trade payables BD*
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.

13 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Compensation of key management personnel
The remuneration of directors and other members of key management during the period ended were as follows:

	Six-month period ended	
	30 June 2026 (Reviewed) BD	*30 June 2025 (Reviewed) BD*
Salaries and short-term employee benefits	**397,846**	385,069
Post employment benefits	**7,000**	6,736
Directors sitting fees	**276,664**	269,859
	681,510	661,664

14 COMMITMENTS AND CONTINGENCIES

a) Commitments

Capital expenditure
As at 30 June 2026, the Group has capital commitments amounted to BD 1,554,733 (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.

b) Contingencies

At 30 June 2026, the Group had contingent liabilities comprising bank guarantees amounting to BD 201,380 (31 December 2025 (audited): BD 203,331). No material liabilities are expected to arise from these contingent exposures.

As of 30 June 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.

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

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: and

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

The fair values of financial assets and liabilities are not materially different from their carrying values as at 30 June 2026 and as at 31 December 2025.

15 FAIR VALUE MEASUREMENT (continued)

Fair value of non-financial assets and liabilities
The Group does not have any non-financial assets or liabilities which have been remeasured at fair value as at 30 June 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.

The following table provides fair value hierarchy of the Group’s financial investments:

	30 June 2026 (Reviewed)				
	Date of valuation	***Quoted prices in active markets Level 1 BD***	***Significant observable inputs Level 2 BD***	***Significant unobservable inputs Level 3 BD***	***Total BD***
Assets measured at fair value					
Investments at fair value through other comprehensive income (note 6):					
- Quoted equity investments	30 June 2026	**9,545,738**	**-**	**-**	**9,545,738**
- Unquoted equity investments	30 June 2026	**-**	**-**	**1,990,010**	**1,990,010**
		9,545,738	**-**	**1,990,010**	**11,535,748**

	31 December 2025 (Audited)				
	Date of valuation	*Quoted prices in active markets Level 1 BD*	*Significant observable inputs Level 2 BD*	*Significant unobservable inputs Level 3 BD*	*Total BD*
Assets measured at fair value					
Investments at fair value through other comprehensive income (note 6):					
- 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

15 FAIR VALUE MEASUREMENT (continued)

Liabilities measured at fair value:
There were no liabilities measured at fair value as of 30 June 2026 and as of 31 December 2025.

During the six-month period ended 30 June 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 transfers into or out of Level 3, nor any significant movements in the fair values of financial assets classified within Level 3 during the six-month period ended 30 June 2026 and the year ended 31 December 2025, other than a fair value gain of BD 125,817 recognised in other comprehensive income in relation to the Group's investment in Paradise and its subsequent reclassification to an investment in an associate (note 5).

16 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.

16 SEGMENTS REPORTING (continued)

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

Revenue for the three-month period ended 30 June 2026 in the United Arab Emirates and Sri Lanka amounted to BD 148,343 (three-month period ended 30 June 2025: BD 758,416) and loss for the three-month period ended 30 June 2026 amounted to BD 633,262 (three-month period ended 30 June 2025: loss amounted to BD 330,964). The remaining revenue and profit for the three-month period then ended is generated from the primary geographical segment in the Kingdom of Bahrain.

Revenue for the six-month period ended 30 June 2026 in the United Arab Emirates and Sri Lanka amounted to BD 967,503 (six-month period ended 30 June 2025: BD 1,905,445) and loss for the six-month period ended 30 June 2026 amounted to BD 835,263 (six-month period ended 30 June 2025: loss amounted to BD 371,297). The remaining revenue and profit for the six-month period then ended is generated from the primary geographical segment in the Kingdom of Bahrain.

At 30 June 2026, total assets in the United Arab Emirates and Sri Lanka amounted to BD 24,021,204 (31 December 2025 (audited): BD 24,674,881) and total liabilities amounted to BD 720,141 (31 December 2025 (audited): BD 945,456). All remaining assets and liabilities arise from the primary geographical segment in the Kingdom of Bahrain.

16 SEGMENTS REPORTING (continued)

The following table presents the details of segmental operating results for the three-month period ended 30 June 2026 and 30 June 2025:

Three-month period ended 30 June (Reviewed)	*Hotel room operations*		*Food and beverages*		*Investments and other activities*		*Adjustments and eliminations*		*Consolidated*	
	2026 BD	*2025 BD*	***2026 BD***	*2025 BD*	***2026 BD***	*2025 BD*	***2026 BD***	*2025 BD*	***2026 BD***	*2025 BD*
Revenue	**1,033,860**	3,371,002	**4,948,604**	6,460,172	**243,307**	434,189	**(243,720)**	(187,548)	**5,982,051**	10,077,815
Share of results of associate and a joint venture	**-**	-	**-**	-	**349,816**	513,097	**-**	-	**349,816**	513,097
Dividend income	**-**	-	**-**	-	**-**	24,698	**-**	-	**-**	24,698
Interest income	**-**	-	**-**	-	**126,030**	94,892	**-**	-	**126,030**	94,892
Rental and other income	**-**	-	**-**	-	**2,216,202**	732,523	**-**	-	**2,216,202**	732,523
Total income	**1,033,860**	3,371,002	**4,948,604**	6,460,172	**2,935,355**	1,799,399	**(243,720)**	(187,548)	**8,674,099**	11,443,025
Staff costs	**(626,987)**	(694,149)	**(995,617)**	(1,673,175)	**(405,347)**	(575,737)	**-**	-	**(2,027,951)**	(2,943,061)
Food and beverages costs	**-**	-	**(2,108,663)**	(2,400,580)	**-**	-	**232,831**	86,070	**(1,875,832)**	(2,314,510)
Depreciation	**(703,086)**	(743,131)	**(466,924)**	(301,835)	**(124,736)**	(96,771)	**-**	-	**(1,294,746)**	(1,141,737)
Utilities	**(185,286)**	(323,280)	**(135,754)**	(125,277)	**(41,073)**	(43,322)	**-**	-	**(362,113)**	(491,879)
Allowance for expected credit losses	**(27,160)**	(44,821)	**(36,703)**	(41,533)	**(69,429)**	(15,426)	**-**	-	**(133,292)**	(101,780)
Other operating expenses	**(369,499)**	(912,440)	**(586,353)**	(547,824)	**(379,965)**	(323,928)	**10,889**	101,478	**(1,324,928)**	(1,682,714)
Total expenses	**(1,912,018)**	(2,717,821)	**(4,330,014)**	(5,090,224)	**(1,020,550)**	(1,055,184)	**243,720**	187,548	**(7,018,862)**	(8,675,681)
Segment (loss) profit for the period	**(878,158)**	653,181	**618,590**	1,369,948	**1,914,805**	744,215	**-**	-	**1,655,237**	2,767,344

16 SEGMENTS REPORTING (continued)

The following table presents the details of segmental operating results for the six-month period ended 30 June 2026 and 30 June 2025:

Six-month period ended 30 June (Reviewed)	*Hotel room operations*		*Food and beverages*		*Investments and other activities*		*Adjustments and eliminations*		*Consolidated*	
	2026	*2025*	***2026***	*2025*	***2026***	*2025*	***2026***	*2025*	***2026***	*2025*
	BD	*BD*	***BD***	*BD*	***BD***	*BD*	***BD***	*BD*	***BD***	*BD*
Revenue	**3,404,650**	6,461,229	**9,236,097**	11,793,880	**515,565**	798,420	**(350,402)**	(364,975)	**12,805,910**	18,688,554
Share of results of associate and a joint venture	**-**	-	**-**	-	**569,083**	833,891	**-**	-	**569,083**	833,891
Dividend income	**-**	-	**-**	-	**704,561**	625,483	**-**	-	**704,561**	625,483
Interest income	**-**	-	**-**	-	**311,819**	244,956	**-**	-	**311,819**	244,956
Rental and other income	**-**	-	**-**	-	**2,800,173**	1,440,772	**-**	-	**2,800,173**	1,440,772
Total income	**3,404,650**	6,461,229	**9,236,097**	11,793,880	**4,901,201**	3,943,522	**(350,402)**	(364,975)	**17,191,546**	21,833,656
Staff costs	**(1,237,922)**	(1,336,066)	**(2,507,806)**	(3,324,194)	**(849,186)**	(1,058,184)	**-**	-	**(4,594,914)**	(5,718,444)
Food and beverages costs	**-**	-	**(3,828,984)**	(4,368,918)	**-**	-	**327,951**	173,538	**(3,501,033)**	(4,195,380)
Depreciation	**(1,467,275)**	(1,630,609)	**(860,076)**	(633,258)	**(236,931)**	(205,018)	**-**	-	**(2,564,282)**	(2,468,885)
Utilities	**(395,686)**	(536,003)	**(225,835)**	(217,398)	**(83,849)**	(81,980)	**-**	-	**(705,370)**	(835,381)
Allowance for expected credit losses	**(29,796)**	(17,809)	**(5,359)**	(3,814)	**(87,947)**	(1,950)	**-**	-	**(123,102)**	(23,573)
Other operating expenses	**(1,055,197)**	(1,699,830)	**(1,227,136)**	(1,201,056)	**(635,200)**	(663,618)	**22,451**	191,437	**(2,895,082)**	(3,373,067)
Total expenses	**(4,185,876)**	(5,220,317)	**(8,655,196)**	(9,748,638)	**(1,893,113)**	(2,010,750)	**350,402**	364,975	**(14,383,783)**	(16,614,730)
Segment (loss) profit for the period	**(781,226)**	1,240,912	**580,901**	2,045,242	**3,008,088**	1,932,772	**-**	-	**2,807,763**	5,218,926

16 SEGMENTS REPORTING (continued)

The following table presents the details of segmental assets and liabilities as at 30 June 2026 and as at 31 December 2025:

	Hotel room operations		*Food and beverages*		*Investments and other activities*		*Adjustments and eliminations*		*Consolidated*	
	30 June 2026 (Reviewed) BD	*31 December 2025 (Audited) BD*	***30 June 2026 (Reviewed) BD***	*31 December 2025 (Audited) BD*	***30 June 2026 (Reviewed) BD***	*31 December 2025 (Audited) BD*	***30 June 2026 (Reviewed) BD***	*31 December 2025 (Audited) BD*	***30 June 2026 (Reviewed) BD***	*31 December 2025 (Audited) BD*
Total assets	**54,185,286**	54,920,567	**33,452,457**	32,953,278	**24,917,968**	29,103,616	**-**	-	**112,555,711**	116,977,461
Total liabilities	**2,604,116**	3,290,125	**2,031,691**	2,710,672	**269,664**	724,952	**-**	-	**4,905,471**	6,725,749
Capital expenditure	**733,246**	2,876,133	**659,489**	1,517,248	**2,941**	530,547	**-**	-	**1,395,676**	4,923,928

17 GEOPOLITICAL DEVELOPMENTS IN THE MIDDLE EAST

The geopolitical situation in the Middle East intensified during the period and continues to evolve. These developments have affected several countries across the region, including the Kingdom of Bahrain, resulting in disruptions to business and economic activities, including impacts on the hospitality industry. Consequently, additional uncertainties have arisen within the economic environment.

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 caused a temporary disruption to the hotel's operations. Management responded promptly in accordance with established emergency response and business continuity protocols. The incident was contained, and operations were successfully stabilised through the implementation of contingency measures, enabling the restoration of normal operations at Crowne Plaza.

As at 30 June 2026, management assessed the carrying amounts of the Group's financial and non-financial assets for indicators of impairment and the need for valuation adjustments, taking into consideration the prevailing geopolitical environment. As a result of the security-related incident, the Group recognised a write-off of damaged assets amounting to BD 1,955,590, with a corresponding net book value of BD 146,779, which was recognised in other operating expenses. In addition, management has filed insurance claims in respect of property and equipment damage and business interruption losses arising from the incident and management has recognized an preliminary insurance of BD 600,000 (note 10). Based on the information available as at the reporting date, management concluded that the carrying amounts of the Group's assets appropriately reflect the conditions and risks existing at 30 June 2026.

In response to the evolving geopolitical situation in the Middle East, the Group has activated its business continuity arrangements and enhanced its risk management and monitoring procedures to mitigate potential operational, credit, and liquidity risks. Management continues to closely monitor developments and assess their potential impact on the Group’s operations, financial position, financial performance and cash flows, including the effects of inflationary pressures, lower occupancy levels, elevated energy costs, changes in interest rates and the Group’s ability to continue as a going concern. Based on management’s assessment and the information available as at the date of approval of these interim condensed consolidated financial statements, no material adverse impact is expected on the Group’s financial position, results of operations or cash flows.