

National Hotels Company B.S.C.

**INTERIM CONDENSED
FINANCIAL STATEMENTS**

31 MARCH 2025 (REVIEWED)

REPORT ON THE REVIEW OF THE INTERIM CONDENSED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF NATIONAL HOTELS COMPANY B.S.C.

Introduction

We have reviewed the accompanying interim condensed financial statements of National Hotels Company B.S.C. ("the Company") as at 31 March 2025, comprising of the interim condensed statement of financial position as at 31 March 2025 and the related interim condensed statements of profit or loss and other comprehensive income, cash flows and changes in equity for the three-month period then ended and explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of review

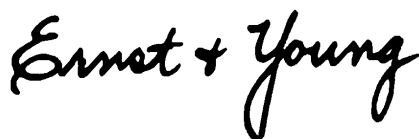
We conducted our review in accordance with the International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial information consists of making inquiries, primarily of persons responsible for 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 financial statements are not prepared, in all material respects, in accordance with IAS 34.

Other matter

The financial statements of the Company for the year ended 31 December 2024 and the interim condensed financial statements for the three-month period ended 31 March 2024 were audited and reviewed respectively by another auditor who expressed an unmodified audit opinion and review conclusion dated 20 February 2025 and 25 April 2024 respectively on those financial statements.



Partner's Registration No. 295
24 April 2025
Manama, Kingdom of Bahrain

National Hotels Company B.S.C.

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

At 31 March 2025

		31 March 2025 (Reviewed) BD	31 December 2024 (Audited) BD
	<i>Note</i>		
ASSETS			
Non-current assets			
Property, plant and equipment		34,101,826	34,217,705
Investment properties		29,266,815	29,466,999
Investment in an associate	5	6,038,850	6,378,813
Investment securities	6	4,319,232	4,316,618
		73,726,723	74,380,135
Current assets			
Inventories		89,458	68,669
Investment securities	6	1,298,624	1,934,773
Trade receivables and other assets		1,207,183	957,378
Bank balances and cash	7	8,756,930	7,224,797
		11,352,195	10,185,617
TOTAL ASSETS		85,078,918	84,565,752
LIABILITIES AND EQUITY			
Non-current liability			
Employees' end of service benefits		257,237	257,819
Current liabilities			
Trade and other payables		3,438,033	1,993,737
Total liabilities		3,695,270	2,251,556
Equity			
Share capital		12,127,500	12,127,500
Statutory reserve		6,063,750	6,063,750
General reserve		1,087,579	1,087,579
Property revaluation reserve		14,418,702	14,418,702
Investments fair value reserve		1,403,364	1,392,960
Share of reserves of an associate		106,667	93,946
Retained earnings		46,176,086	47,129,759
Total equity		81,383,648	82,314,196
TOTAL LIABILITIES AND EQUITY		85,078,918	84,565,752



Faisal Ahmad Al Zayani
Chairman



Adel Nahabah Hamadeh
Vice Chairman and Managing Director

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

National Hotels Company B.S.C.

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three-months ended 31 March 2025 (Reviewed)

		Three-month period ended	
		31 March	31 March
		2025	2024
		BD	BD
	Note		
Revenue from contracts with customers	8	2,108,643	2,051,835
Operating costs		(1,203,642)	(1,198,139)
GROSS PROFIT		905,001	853,696
Share of profit of an associate	5	347,316	336,823
Dividend income		149,957	132,116
Interest income		122,197	123,201
Change in fair value of investment at fair value through profit or loss	6	63,851	18,691
Other income		17,882	3,795
Depreciation		(598,563)	(523,879)
General and administration expenses		(142,429)	(128,972)
PROFIT FOR THE PERIOD		865,212	815,471
BASIC AND DILUTED EARNINGS PER SHARE (FILS)	9	7	7
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>			
- Net changes in fair value of investments at fair value through other comprehensive income	6	10,404	(28,906)
- Share of other comprehensive income of associate	5	12,721	12,110
Other comprehensive profit (loss) for the period		23,125	(16,796)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		888,337	798,675



Faisal Ahmad Al Zayani
Chairman



Adel Nahabah Hamadeh
Vice Chairman and Managing Director

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

National Hotels Company B.S.C.

INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the three-months ended 31 March 2025 (Reviewed)

		<i>Three-month period ended</i>	
		31 March 2025 BD	31 March 2024 BD
	<i>Note</i>		
OPERATING ACTIVITIES			
Profit for the period		865,212	815,471
Adjustments to reconcile profit to net cash flows:			
Depreciation		598,563	523,879
Share of profit of an associate	5	(347,316)	(336,823)
Dividend income		(149,957)	(132,116)
Interest income		(122,197)	(123,201)
Change in fair value of investment at fair value through profit or loss	6	(63,851)	(18,691)
Allowance (reversal of allowance) for expected credit losses		13,508	(2,340)
Provision for employees' end of service benefits		14,466	21,015
Operating profit before working capital changes		808,428	747,194
Working capital changes:			
Inventories		(20,789)	1,661
Trade receivables and other assets		(173,778)	226,346
Trade and other payables		(93,674)	(198,960)
Cash generated from operations		520,187	776,241
Directors' remuneration paid		(262,125)	(130,750)
Charitable contribution paid		(18,790)	-
Employees' end of service benefits paid		(15,048)	(12,070)
Net cash flows from operating activities		224,224	633,421
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(271,086)	(434,491)
Purchase of investment properties		(11,415)	(5,725)
Purchase of investments at fair value through other comprehensive income	6	-	(398,823)
Maturity of debt investment at amortised cost	6	700,000	-
Interest received		166,410	66,702
Bank deposits with maturity of more than 90 days		(100,000)	500,000
Dividend received from an associate	5	700,000	1,400,000
Dividends received on investments		24,000	24,000
Net cash flows from investing activities		1,207,909	1,151,663
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,432,133	1,785,084
Cash and cash equivalents at 1 January		1,824,797	3,862,115
CASH AND CASH EQUIVALENTS AT 31 MARCH	7	3,256,930	5,647,199

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

National Hotels Company B.S.C.

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

For the three-months ended 31 March 2025 (Reviewed)

		<i>Reserves</i>							
		<i>Share capital</i>	<i>Statutory reserve</i>	<i>General reserve</i>	<i>Property revaluation reserve</i>	<i>Investments fair value reserve</i>	<i>Share of reserves of associate</i>	<i>Total reserves</i>	<i>Retained earnings</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>
Balance at 1 January 2024	12,127,500	6,063,750	1,087,579	14,418,702	1,583,771	166,152	23,319,954	45,585,440	81,032,894
Profit for the period	-	-	-	-	-	-	-	815,471	815,471
Other comprehensive loss (income) for the period	-	-	-	-	(28,906)	12,110	(16,796)	-	(16,796)
Total comprehensive (loss) income for the period	-	-	-	-	(28,906)	12,110	(16,796)	815,471	798,675
Adjustment to associate's reserve	-	-	-	-	-	(8,261)	(8,261)	-	(8,261)
Dividend (note 10)	-	-	-	-	-	-	-	(1,455,108)	(1,455,108)
Balance at 31 March 2024	12,127,500	6,063,750	1,087,579	14,418,702	1,554,865	170,001	23,294,897	44,945,803	80,368,200

		<i>Reserves</i>							
		<i>Share capital</i>	<i>Statutory reserve</i>	<i>General reserve</i>	<i>Property revaluation reserve</i>	<i>Investments fair value reserve</i>	<i>Share of reserves of associate</i>	<i>Total reserves</i>	<i>Retained earnings</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>
Balance at 1 January 2025	12,127,500	6,063,750	1,087,579	14,418,702	1,392,960	93,946	23,056,937	47,129,759	82,314,196
Profit for the period	-	-	-	-	-	-	-	865,212	865,212
Other comprehensive income for the period	-	-	-	-	10,404	12,721	23,125	-	23,125
Total comprehensive income for the period	-	-	-	-	10,404	12,721	23,125	865,212	888,337
Dividend (note 10)	-	-	-	-	-	-	-	(1,818,885)	(1,818,885)
Balance at 31 March 2025	12,127,500	6,063,750	1,087,579	14,418,702	1,403,364	106,667	23,080,062	46,176,086	81,383,648

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

1 ACTIVITIES

National Hotels Company 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 1665. The address of the registered office of the Company is P.O. Box 5243, Building 59, Road 1701, Block 317, Diplomatic Area, Kingdom of Bahrain. The Company owns a hotel in Kingdom of Bahrain named Diplomat Radisson Blu Hotel, Residence & Spa (the "Hotel" & "Residence"), which is managed by Radisson Hotel Group (the "Radisson") under a management agreement up to 31 December 2030. In 2012, the Company commenced the operations of its office towers, which are managed by the Company directly. The Company operates solely in the Kingdom of Bahrain.

2 MATERIAL ACCOUNTING POLICIES

Basis of preparation

The interim condensed financial statements for the three-month period ended 31 March 2025 have been prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting".

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

New and amended standards adopted by the Company

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

The following new and amended standard apply for the first time in 2025, but did not have an impact on the interim condensed financial statements of the Company:

- *Amendments to IAS 21 – Lack of exchangeability: In August 2023, the IASB issued these amendments to IAS 21 to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.*

3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

4 SEASONALITY OF RESULTS

Dividend income of BD 149,957 for the three-month ended 31 March 2025 (2024: BD 132,116) is of a seasonal nature.

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

National Hotels Company B.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 31 March 2025 (Reviewed)

5 INVESTMENT IN AN ASSOCIATE

The Company has a 33.33% (2024: 33.33%) interest in African & Eastern (Bahrain) W.L.L., which is incorporated in the Kingdom of Bahrain and is involved in the business of importing and selling consumer products. African & Eastern (Bahrain) W.L.L. is a private entity that is not listed on any public exchange. The Company's interest in African & Eastern (Bahrain) W.L.L. is accounted for using the equity method in these condensed interim financial information. Movements in the carrying value of the investment in an associate were as follows:

	31 March 2025 (Reviewed) BD	31 December 2024 (Audited) BD
Balance at 1 January	6,378,813	6,525,967
Share of profit for the period / year	347,316	1,825,052
Share of other comprehensive income / (loss) for the period / year	12,721	(63,945)
Adjustment to the associate's reserve	-	(8,261)
Dividend received	(700,000)	(1,900,000)
	6,038,850	6,378,813

The share of results of the associate is recognised based on the approved management accounts for the three-month period ended 31 March 2025 and audited accounts for year ended 31 December 2024.

6 INVESTMENT SECURITIES

	31 March 2025 (Reviewed) BD	31 December 2024 (Audited) BD
Non-current		
Equity investments at fair value through other comprehensive income	2,452,559	2,442,155
Debt investment at amortised cost	1,866,673	1,874,463
	4,319,232	4,316,618
Current		
Investment at fair value through profit or loss	1,298,624	1,234,773
Debt investment at amortised cost	-	700,000
	1,298,624	1,934,773
Total investments	5,617,856	6,251,391

a) Equity investments at fair value though other comprehensive income

	31 March 2025 (Reviewed) BD	31 December 2024 (Audited) BD
Quoted equity investments	1,792,305	1,781,901
Unquoted equity investments	660,254	660,254
	2,452,559	2,442,155

6 INVESTMENT SECURITIES (continued)**a) Equity investments at fair value through other comprehensive income (continued)**

The movement in the equity investments at FVOCI is as follow:

	31 March 2025 (Reviewed) BD	31 December 2024 (Audited) BD
At 1 January	2,442,155	2,234,143
Purchases during the period / year	-	398,823
Change in fair value during the period / year	10,404	(190,811)
	2,452,559	2,442,155

b) Investment at fair value through profit or loss

	31 March 2025 (Reviewed) BD	31 December 2024 (Audited) BD
Quoted equity portfolio	1,298,624	1,234,773

The quoted equity portfolio of BD 1,298,624 (31 December 2024: 1,234,773) is managed by external fund manager who is also a shareholder (refer note 11). The movement in the fair value of the investment at FVTPL is as follow:

	31 March 2025 (Reviewed) BD	31 December 2024 (Audited) BD
At 1 January	1,234,773	1,118,806
Change in fair value during the period / year	63,851	115,967
	1,298,624	1,234,773

c) Debt investment at amortised cost

	31 March 2025 (Reviewed) BD	31 December 2024 (Audited) BD
Quoted debt securities	1,866,673	2,574,463

6 INVESTMENT SECURITIES (continued)**c) Debt investment at amortised cost (continued)**

The movement in the debt investments at amortised cost is as follow:

	31 March 2025 (Reviewed) BD	31 December 2024 (Audited) BD
At 1 January	2,574,463	2,605,624
Amortisation for the period / year	(7,790)	(31,161)
Matured during the period / year	(700,000)	-
	1,866,673	2,574,463

7 BANK BALANCES AND CASH

	31 March 2025 (Reviewed) BD	31 December 2024 (Audited) BD
Bank balances (i)	2,746,148	1,817,027
Bank deposits (ii)	6,000,000	5,400,000
Cash in hand	10,782	7,770
Bank balances and cash	8,756,930	7,224,797
Less: Bank deposits with maturity exceeding three months	(5,500,000)	(5,400,000)
Cash and cash equivalents	3,256,930	1,824,797

- i) Bank balances are held with financial institutions in the Kingdom of Bahrain. These balances are denominated in Bahraini Dinars.
- ii) Bank deposits are placed with commercial banks in the Kingdom of Bahrain. These deposits have varying original maturity ranging from three to six months. The deposits are denominated in Bahraini Dinars and earn interest at an average rate of 5.19% (2024: 5.6%).

The Company has an unused overdraft facility of BD 0.5 million (2024: BD 0.5 million) to finance working capital requirements granted by a financial institution in the Kingdom of Bahrain. The facility carries interest of 3.5% per annum above one month Bahrain Interbank Offered Rate charged monthly (2024: same).

8 REVENUE FROM CONTRACTS WITH CUSTOMERS

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

	<i>Three-month period ended</i>	
	31 March	31 March
	2025	2024
	(Reviewed)	(Reviewed)
	BD	BD
Hotel rooms	580,045	649,634
Serviced apartments	587,447	582,662
Food and beverages	425,879	364,792
Others	60,116	68,031
Rental revenue	455,156	386,716
	2,108,643	2,051,835
Timing of revenue recognition		
Goods and services transferred at a point in time	485,995	432,823
Goods and services transferred over time	1,622,648	1,619,012
	2,108,643	2,051,835

The Company generates its revenue in the Kingdom of Bahrain.

9 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit or loss for the period attributed to ordinary equity holders of the Company by the weighted average number of ordinary shares and is as follows:

	<i>Three-month period ended</i>	
	31 March	31 March
	2025	2024
	(Reviewed)	(Reviewed)
Profit for the period (BD)	865,212	815,471
Weighted average number of shares	121,275,000	121,275,000
Basic and diluted earnings per share (fils)	7	7

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

10 DIVIDEND

At the Annual General Meeting of the shareholders held on 27 March 2025, a cash dividend of 15 fils per share totaling BD 1,818,885 for the year ended 31 December 2024 was approved (31 March 2024: at the Annual General Meeting of the shareholders held on 28 March 2024, a cash dividend of 12 fils per share totaling BD 1,455,108 for the year ended 31 December 2023 was approved and paid during the year).

National Hotels Company B.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 31 March 2025 (Reviewed)

11 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent the associated company, major shareholders, companies having common directors, directors and key management personnel of the Company, the operator of the hotel and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are at agreed terms and approved by the Company's Board of Directors.

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

	Three-month period ended 31 March 2025 (Reviewed)				
	Share of profit BD	Purchases BD	Management fees BD	Other expenses BD	Revenue BD
Shareholders	-	-	-	-	150,069
Associate	347,316	24,457	-	-	1,050
Management company	-	-	33,319	18,160	-
Directors	-	-	-	62,072	659
	347,316	24,457	33,319	80,232	151,778
	Three-month period ended 31 March 2024 (Reviewed)				
	Share of profit BD	Purchases BD	Management fees BD	Other expenses BD	Revenue BD
Shareholders	-	-	-	-	150,069
Associate	336,823	16,862	-	-	1,050
Management company	-	-	37,816	21,699	-
Directors	-	-	-	51,349	678
	336,823	16,862	37,816	73,048	151,797

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

	31 March 2025 (Reviewed) BD	31 December 2024 (Audited) BD
Assets		
<i>Trade receivable and other assets</i>		
Shareholders	2,691	2,742
Associate	124	3,087
Directors	601	1,177
<i>Equity Investments at fair value through profit or loss</i>		
Investment managed by Shareholder	1,298,624	1,234,773
	1,302,040	1,241,779

11 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

	31 March 2025 (Reviewed) BD	31 December 2024 (Audited) BD
Liabilities		
<i>Trade and other payables</i>		
Associate	12,134	15,949
Management company	46,032	116,377
Directors	30,426	262,125
	88,592	394,451

Terms and conditions

Outstanding balances arise in the normal course of business and are unsecured, interest free and settlement occurs in cash, and are usually settled within 30 days. There have been no guarantees received or provided for any related party payables and receivable balances.

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 2025 (Reviewed) BD	31 March 2024 (Reviewed) BD
Short-term employee benefits	119,250	101,551
Directors' remuneration	30,426	23,138
End of service benefits	2,412	8,602
	152,088	133,291

12 COMMITMENTS AND CONTINGENCIES**a) Commitments**

The Company has capital expenditure commitments of BD 120,753 as of 31 March 2025 (31 December 2024: BD 555,330).

b) Contingencies

The Company has an outstanding guarantee of BD 4,050 as at 31 March 2025 (31 December 2024: BD 4,050).

13 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Company 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) Bank balances and cash, trade and other receivables and trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments;

13 FAIR VALUE MEASUREMENT (continued)**Fair value of financial instruments (continued)**

- 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 equity investments have been estimated using other appropriate valuation techniques, and using of recent arm's length market transactions, or current fair value of another similar instrument as applicable.
- c) The fair value of the debt security at amortised cost with carrying value of BD 1,866,673 (2024: BD 2,574,463) is BD 1,824,427 (2024: BD 2,522,182).

Fair value of non-financial assets and liabilities

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

Fair value hierarchy

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

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

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

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

For assets and liabilities that are recognised in the interim condensed financial statements on a recurring basis, the Company 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 Company'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 Company's assets and liabilities:

		31 March 2025 (Reviewed)			
Date of valuation		Quoted prices	Significant	Significant	Total
		in active	observable	unobservable	
		markets	inputs	inputs	
		Level 1	Level 2	Level 3	BD
		BD	BD	BD	BD
Assets measured at fair value					
Investments at fair value through other comprehensive income (note 6)	31 Mar 2025	1,792,305	-	660,254	2,452,559
Investments at fair value through profit or loss (note 6)	31 Mar 2025	1,298,624	-	-	1,298,624
		3,090,929	-	660,254	3,751,183

13 FAIR VALUE MEASUREMENT (continued)

		31 December 2024 (Audited)			
	Date of valuation	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
		Level 1	Level 2	Level 3	Total
		BD	BD	BD	BD
Assets measured at fair value					
Investments at fair value through other comprehensive income (note 6)	31 Dec 2024	1,781,901	-	660,254	2,442,155
Investments at fair value through profit or loss (note 6)	31 Dec 2024	1,234,773	-	-	1,234,773
		3,016,674	-	660,254	3,676,928

Liabilities measured at fair value:

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

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

Reconciliation of fair value measurement of Level 3 financial assets

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

There were no movement in the fair values of financial assets classified as level 3 category during the three-month period ended 31 March 2025 and year ended 31 December 2024.

14 SEGMENT REPORTING

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

Hotel operations	Room rental, food beverage sales, conferences and events.
Real estate operations	Management of rented offices and commercial property.
Investments and corporate	Investment activities of the Company and head office expenses.

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

National Hotels Company B.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 31 March 2025 (Reviewed)

14 SEGMENT REPORTING (continued)

The following table presents the details of segmental operating results for the three-month period ended 31 March 2025 and 31 March 2024:

Three-month period ended 31 March (Reviewed)

	<i>Hotel operations</i>		<i>Real estate operations</i>		<i>Investments and corporate</i>		<i>Total</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</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>
Hotel services revenue	1,653,487	1,665,119	-	-	-	-	1,653,487	1,665,119
Rental revenue	-	-	455,156	386,716	-	-	455,156	386,716
Gross operating costs	(1,112,288)	(1,120,902)	(91,354)	(77,237)	-	-	(1,203,642)	(1,198,139)
Gross profit	541,199	544,217	363,802	309,479	-	-	905,001	853,696
Investment income*	-	-	-	-	683,321	610,831	683,321	610,831
Other income	-	-	-	-	17,882	3,795	17,882	3,795
Depreciation	(386,964)	(318,537)	(211,599)	(205,342)	-	-	(598,563)	(523,879)
General and administration expenses	-	-	-	-	(142,429)	(128,972)	(142,429)	(128,972)
Profit for the period	154,235	225,680	152,203	104,137	558,774	485,654	865,212	815,471

*Including share of profit of associate, dividend income, interest income and change in fair value of investments at fair value through profit or loss.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 31 March 2025 (Reviewed)

14 SEGMENT REPORTING (continued)

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

	<i>Hotel operations</i>		<i>Real estate operations</i>		<i>Investments and corporate</i>		<i>Total</i>	
	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>	<i>31 December</i>
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>(Reviewed)</i>	<i>(Audited)</i>	<i>(Reviewed)</i>	<i>(Audited)</i>	<i>(Reviewed)</i>	<i>(Audited)</i>	<i>(Reviewed)</i>	<i>(Audited)</i>
	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>
Total assets	35,063,615	34,998,060	29,341,202	29,540,961	20,674,101	20,026,731	85,078,918	84,565,752
Total liabilities	1,680,123	1,578,846	49,364	60,259	1,965,783	612,451	3,695,270	2,251,556
Capital expenditure	271,086	1,946,693	11,415	383,009	-	-	282,501	2,329,702