

**Banader Hotels Company B.S.C.**

**Condensed interim consolidated financial  
information for the quarter and nine months  
ended 30 September 2023 (Reviewed)**

**Banader Hotels Company B.S.C.**  
**Condensed interim consolidated financial information for the quarter and nine months ended**  
**30 September 2023**  
**(Reviewed)**

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<b>Index</b>	<b>Pages</b>
1. Administration and contact details	2
2. Independent auditor's review report	3
3. Condensed interim consolidated statement of financial position	4
4. Condensed interim consolidated statement of profit or loss and other comprehensive income	5
5. Condensed interim consolidated statement of changes in shareholders' equity	6
6. Condensed interim consolidated statement of cash flows	7
7. Selected explanatory notes to the condensed interim consolidated financial information	8 - 19

**Banader Hotels Company B.S.C.**  
**Administration and contact details as at 30 September 2023**

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<b>Commercial registration no.</b>	59045-01 obtained on 20 December 2005	
<b>Directors</b>	Abdulla Hasan Abdulla Buhindi Jehad Yusuf Abdulla Amin Mohamed Farooq Yusuf Al-Moayyed Redha Abdulla Ali Faraj Ahmed Mohamed Hussain Ali Yateem Suhail Mohamed Husain Hajee Nael Jamil Issa Hashweh	- Chairman - Vice-Chairman - Director - Director - Director - Director - Director
<b>Audit, risk and compliance committees</b>	Redha Abdulla Ali Faraj Ahmed Mohamed Hussain Ali Yateem Suhail Mohamed Husain Hajee	Chairman
<b>Remuneration and Corporate Governance Committee</b>	Abdulla Hasan Abdulla Buhindi Mohammed Farooq Yusuf Al-Moayyed Suhail Mohamed Husain Hajee	
<b>Acting General Manager</b>	Ahmed Fadhel Ahmed Isa Hammad	
<b>Registered office</b>	Flat 52, Building 1006 Road 2813, Block 428 PO. Box 2474 Al Seef Kingdom of Bahrain	
<b>Registrars</b>	Bahrain Clear B.S.C. (c) PO Box 3203 Manama Kingdom of Bahrain	
<b>Bankers</b>	Bank of Bahrain and Kuwait HSBC Bank Middle East Limited	
<b>Auditors</b>	BDO 17 <sup>th</sup> Floor, Diplomat Commercial Office Tower PO Box 787 Manama Kingdom of Bahrain	

## Review report on the condensed interim consolidated financial information to the Board of Directors of Banader Hotels Company B.S.C.

### Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of Banader Hotels Company B.S.C. ("the Company") and its subsidiary (collectively referred to as "the Group") as at 30 September 2023, the condensed interim consolidated statement of profit or loss and other comprehensive income, the condensed interim consolidated statement of changes in shareholders' equity, the condensed interim consolidated statement of cash flows for the quarter and nine months period then ended, and selected explanatory notes. The Group's Board of Directors are responsible for the preparation and fair presentation of these condensed interim consolidated financial statements in accordance with International Accounting Standard 34- "*Interim financial reporting*". Our responsibility is to express a conclusion on this condensed interim consolidated financial information based on our review.

### Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410 - "*Review of interim financial information performed by the independent auditor of the entity*". A review of condensed interim consolidated 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 condensed interim consolidated financial information does not present fairly, in all material respects, the financial position of the Group as at 30 September 2023, and of its financial performance and its cash flows for the quarter and nine months period then ended in accordance with International Accounting Standard 34 - "*Interim financial reporting*".



Manama, Kingdom of Bahrain  
7 November 2023



**Banader Hotels Company B.S.C.**  
**Condensed interim consolidated statement of financial position as at 30 September 2023**  
**(Reviewed)**  
**(Expressed in Bahrain Dinars)**

	<u>Notes</u>	<u>30 September 2023</u> (Reviewed)	<u>31 December 2022</u> (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	30,176,833	31,458,455
Right-of-use assets	5	<u>90,685</u>	<u>144,076</u>
		<u>30,267,518</u>	<u>31,602,531</u>
<b>Current assets</b>			
Inventories		43,871	44,083
Trade and other receivables		373,439	537,168
Derivative financial instrument	8	45,912	-
Cash and bank balances		<u>1,645,171</u>	<u>529,245</u>
		<u>2,108,393</u>	<u>1,110,496</u>
<b>Total assets</b>		<u>32,375,911</u>	<u>32,713,027</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	6	24,852,976	3,662,099
Preference shares	6	-	14,833,615
General reserve		211,096	211,096
Cash flow hedge reserve		45,912	-
Accumulated losses		<u>(15,424,792)</u>	<u>(8,395,538)</u>
<b>Total equity</b>		<u>9,685,192</u>	<u>10,311,272</u>
<b>Non-current liabilities</b>			
Non-current portion of term loan	7	7,807,329	-
Non-current portion of lease liabilities	9	20,088	75,300
Employees' terminal benefits		<u>115,277</u>	<u>109,834</u>
		<u>7,942,694</u>	<u>185,134</u>
<b>Current liabilities</b>			
Current portion of term loan	7	2,124,161	11,509,057
Current portion of lease liabilities	9	74,810	72,942
Current portion of amounts due to a related party	10	10,979,993	8,845,818
Bank overdraft		2,686	-
Trade and other payables		<u>1,566,375</u>	<u>1,788,804</u>
		<u>14,748,025</u>	<u>22,216,621</u>
<b>Total equity and liabilities</b>		<u>32,375,911</u>	<u>32,713,027</u>

This reviewed condensed interim consolidated financial information, were approved and authorised for issue by the Board of Directors and signed on their behalf by:


  
Abdulla Hasan Abdulla Buhindi  
Chairman

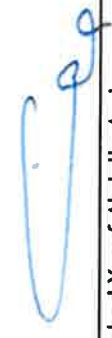
  
Jehad Yusuf Abdulla Amin  
Vice-Chairman

**Banader Hotels Company B.S.C.**  
**Condensed interim consolidated statement of profit or loss and other comprehensive income for the quarter and nine months ended**  
**30 September 2023 (Reviewed)**  
**(Expressed in Bahrain Dinars)**

	Notes	Nine months ended 30 September 2023	Nine months ended 30 September 2022	Quarter ended 30 September 2023	Quarter ended 30 September 2022
Operating income	11	2,315,449	1,891,972	671,533	677,005
Operating costs	12	<u>(1,043,358)</u>	<u>(900,686)</u>	<u>(328,433)</u>	<u>(331,771)</u>
<b>Operating profit for the period</b>		<b>1,272,091</b>	<b>991,286</b>	<b>343,100</b>	<b>345,234</b>
Other income		<u>2,442</u>	-	<u>5,509</u>	-
		<u>1,274,533</u>	<u>991,286</u>	<u>348,609</u>	<u>345,234</u>
<b>Non-operating expenses</b>					
General and administrative expenses	13	(1,148,110)	(965,219)	(377,481)	(343,801)
Depreciation of property, plant and equipment	4	(1,332,241)	(1,325,231)	(449,912)	(447,386)
Finance costs		<u>(647,646)</u>	<u>(511,739)</u>	<u>(187,152)</u>	<u>(204,469)</u>
		<u>(3,127,997)</u>	<u>(2,802,189)</u>	<u>(1,014,545)</u>	<u>(995,656)</u>
<b>Net loss for the period</b>		<b>(1,853,464)</b>	<b>(1,810,903)</b>	<b>(665,936)</b>	<b>(650,422)</b>
<b>Other comprehensive income</b>					
<i>Items that will subsequently reclassified to profit or loss</i>					
Fair value gain on derivative financial instrument	8	45,912	-	45,912	-
<b>Net loss and other comprehensive loss for the period</b>		<b>(1,807,552)</b>	<b>(1,810,903)</b>	<b>(620,024)</b>	<b>(650,422)</b>
Basic loss per share	14	<u>(0.024)</u>	<u>(0.049)</u>	<u>(0.004)</u>	<u>(0.018)</u>
Diluted loss per share	14	<u>(0.024)</u>	<u>(0.007)</u>	<u>(0.004)</u>	<u>(0.003)</u>

These reviewed condensed interim consolidated financial information, were approved and authorised for issue by the Board of Directors and signed on their behalf by:

  
 Abdulla Hasan Abdulla Buhindi  
 Chairman

  
 Jehad Yusuf Abdulla Amin  
 Vice-Chairman

**Banader Hotels Company B.S.C.  
Condensed interim consolidated statement of changes in shareholders' equity for the nine months ended 30 September 2023 (Reviewed)  
(Expressed in Bahrain Dinars)**

	Share capital	Preference shares	General reserve	Cash flow hedge reserve	Accumulated losses	Total
At 31 December 2021 (audited)	3,662,099	14,833,615	100,358	-	(5,910,985)	12,685,087
Net loss and other comprehensive loss for the period	-	-	-	-	(1,810,903)	(1,810,903)
At 30 September 2022 (Reviewed)	<u>3,662,099</u>	<u>14,833,615</u>	<u>100,358</u>	<u>-</u>	<u>(7,721,888)</u>	<u>10,874,184</u>
At 31 December 2022 (audited)	3,662,099	14,833,615	211,096	-	(8,395,538)	10,311,272
Issuance of additional share capital during the period (Note 6)	21,190,877	(14,833,615)	-	-	(5,175,790)	1,181,472
Net loss and other comprehensive loss for the period	-	-	-	45,912	(1,853,464)	(1,807,552)
At 30 September 2023 (Reviewed)	<u>24,852,976</u>	<u>-</u>	<u>211,096</u>	<u>45,912</u>	<u>(15,424,792)</u>	<u>9,685,192</u>

**Banader Hotels Company B.S.C.**  
**Condensed interim consolidated statement of cash flows for the nine months ended**  
**30 September 2023 (Reviewed)**  
**(Expressed in Bahrain Dinars)**

	<u>Notes</u>	Nine months ended 30 September 2023 (Reviewed)	Nine months ended 30 September 2022 (Reviewed)
<b>Operating activities</b>			
Net loss for the period		(1,853,464)	(1,810,903)
Adjustments for:			
Depreciation on property plant and equipment	4	1,332,242	1,325,231
Finance costs		647,646	511,739
Amortisation of right-of-use asset	5	53,391	53,389
Changes in operating assets and liabilities:			
Inventories		212	3,415
Trade and other receivables		163,729	(104,460)
Trade and other payables		(222,429)	17,827
Employees' terminal benefits, net		5,443	(40)
Net cash provided by/(used in) operating activities		<u>126,770</u>	<u>(3,802)</u>
<b>Investing activities</b>			
Purchase of property, plant and equipment	4	<u>(50,620)</u>	<u>(37,987)</u>
Net cash used in investing activities		<u>(50,620)</u>	<u>(37,987)</u>
<b>Financing activities</b>			
Principal elements of lease payments		(53,344)	(50,976)
Proceeds from issuance of equity shares		1,181,472	-
Repayment of term loan		(1,577,567)	(1,508,626)
Net movement in amounts due to a related party		2,134,175	2,146,052
Finance costs paid		<u>(647,646)</u>	<u>(511,739)</u>
Net cash provided by financing activities		<u>1,037,090</u>	<u>74,711</u>
Net increase in cash and cash equivalents		1,113,240	32,922
Cash and cash equivalents, beginning of the period		<u>529,245</u>	<u>181,814</u>
Cash and cash equivalents, end of the period		<u>1,642,485</u>	<u>214,736</u>
Comprising:			
Cash and bank balances		1,645,171	214,922
Bank overdrafts		<u>(2,686)</u>	<u>(186)</u>
		<u>1,642,485</u>	<u>214,736</u>



**Banader Hotels Company B.S.C.**

**Selected explanatory notes to the condensed interim consolidated financial information for the quarter and nine months ended 30 September 2023 (Reviewed)  
(Expressed in Bahrain Dinars)**

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**1 Organisation and activities**

Banader Hotels Company B.S.C. (“the Company”) is a public joint stock company registered in the Kingdom of Bahrain with the Ministry of Industry and Commerce under commercial registration number 59045-1 dated 20 December 2005. The Company owns the Downtown Rotana Hotel which is managed by Rotana Hotel Management Corporation Limited L.L.C. under a 10 years agreement beginning from the actual date of takeover of the management and renewable for three additional terms of ten years.

The principal activities of the Group are building and investing in hotels.

The Group’s registered office is situated in the Kingdom of Bahrain.

The Company is a 53.91% subsidiary of BMMI B.S.C. (“the Parent Company”). During the year 2022, the Company acquired White Hotels Company W.L.L. (“the New Company”). BMMI B.S.C., Banader Hotels Company B.S.C. and White Hotels Company W.L.L. have entered into a deed of novation on 4 September 2022 for sell and transfer business operations to include the hotel operations, loan facilities, employees, office and any other business to White Hotels Company W.L.L. Banader Hotels Company has sold and transferred the hotel building and title of land to White Hotels Co. pursuant to Land Sale Agreement dated 24 August 2022.

The Parties agreed, that Banader Hotels shall be released from all of its future obligation and liabilities under the Subordinated Loan Agreement and White Hotels will assume all the post-novation rights, obligations and liabilities.

The details of the Company’s investment in a subsidiary as at 30 September 2023 is as follows:

<u>Name of the subsidiary</u>	<u>Country of incorporation</u>	<u>Percentage of ownership interest</u>	<u>Principal activities</u>	<u>Total assets at 30 September 2023</u>	<u>Net loss for the quarter ended 30 September 2023</u>
White Hotels Company W.L.L.	Kingdom of Bahrain	100%	-Real estate activities  -Activities of head office or management offices - Hospitality Management	BD31,682,037	BD1,767,470

The total assets and net loss for the period of the subsidiary have been extracted from reviewed interim financial information of the subsidiary prepared as at, and for the period ended 30 September 2023.

The reviewed condensed interim consolidated financial information, set out on pages 4 to 19, were approved for issue by the Board of Directors on 7 November 2023.

**Banader Hotels Company B.S.C.**

**Selected explanatory notes to the condensed interim consolidated financial information for the quarter and nine months ended 30 September 2023 (Reviewed)  
(Expressed in Bahrain Dinars)**

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**2 Basis of preparation**

The condensed consolidated interim financial information has been presented in accordance with International Accounting Standard 34 - "*Interim financial reporting*". The condensed consolidated interim financial information should therefore be read in conjunction with the annual audited financial statements of the Group for the year ended 31 December 2022. The financial information has been presented in Bahrain Dinars (BD) which is also the functional currency of the Group.

This condensed consolidated interim financial information have been prepared using going concern assumption under the historical cost convention except for derivative.

***Improvements/amendments to IFRS/IAS***

Improvements/amendments to IFRS/IAS contained numerous amendments to IFRS/IAS that the IASB considers non-urgent but necessary. 'Improvements to IFRS' comprise amendments that result in accounting changes to presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS standards. The amendments are effective for the Group's future accounting year with earlier adoption.

***Standards, amendments and interpretations issued and effective in 2023 but not relevant***

The following new amendments to existing standard and interpretation to published standard is mandatory for accounting period beginning on or after 1 January 2023 or subsequent periods, but is not relevant to the Group's operations:

<b>Standard or interpretation</b>	<b>Title</b>	<b>Effective for annual periods beginning on or after</b>
IAS 1	Disclosure of accounting policies	1 January 2023
IAS 8	Definition of accounting estimates	1 January 2023
IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023
IFRS 17	Amendments to IFRS 17	1 January 2023

***Standards, amendments and interpretations issued but not yet effective in 2023***

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial period ended 30 September 2023. They have not been adopted in preparing the condensed consolidated interim financial information for the period ended 30 September 2023 and will or may have an effect on the entity's future financial information. In all cases, the entity intends to apply these standards from application date as indicated in the table below:

<b>Standard or interpretation</b>	<b>Title</b>	<b>Effective for annual periods beginning on or after</b>
IAS 1	Classification of liabilities as current or non-current	1 January 2024
IAS 1	Non-current liabilities with covenants	1 January 2024
IFRS 16	Lease liability in a sale and leaseback	1 January 2024

**Early adoption of amendments or standards in 2023**

The Group did not early-adopt any new or amended standards in 2023. There would have been no change in the operational results of the Group for the period ended 30 September 2023 had the Group early adopted any of the above standards applicable to the Group.

**3 Significant accounting policies and critical accounting judgments, estimates and assumptions**

The accounting policies used in the preparation of the condensed interim consolidated financial information are consistent with those used in the annual audited financial statements of the Group prepared as at, and for the year ended 31 December 2022, as described in those annual audited financial statements.

**Banader Hotels Company B.S.C.**

Selected explanatory notes to the condensed interim consolidated financial information for the quarter and nine months ended 30 September 2023  
(Reviewed)

(Expressed in Bahrain Dinars)

**4 Property, plant and equipment**

<i>Cost</i>	<u>Freehold land</u>	<u>Buildings on freehold land</u>	<u>Furniture and fixtures</u>	<u>Computer and office equipment</u>	<u>Motor vehicles</u>	<u>Machinery and equipment</u>	<u>Total</u>
At 31 December 2021	3,048,313	29,189,225	8,356,962	363,548	26,525	3,216,716	44,201,289
Additions during the period	-	-	10,883	63,191	-	3,285	77,359
At 31 December 2022	3,048,313	29,189,225	8,367,845	426,739	26,525	3,220,001	44,278,648
Additions during the period	-	-	6,150	31,115	-	13,355	50,620
At 30 September 2023 (reviewed)	<u>3,048,313</u>	<u>29,189,225</u>	<u>8,373,995</u>	<u>457,854</u>	<u>26,525</u>	<u>3,233,356</u>	<u>44,329,268</u>
<b>Accumulated depreciation</b>							
At 31 December 2021	-	4,251,234	4,640,229	293,789	26,525	1,835,963	11,047,740
Charge for the year	-	729,731	807,440	26,692	-	208,590	1,772,453
At 31 December 2022	-	4,980,965	5,447,669	320,481	26,525	2,044,553	12,820,193
Charge for the period	-	545,798	604,884	24,591	-	156,969	1,332,242
At 30 September 2023 (reviewed)	-	<u>5,526,763</u>	<u>6,052,553</u>	<u>345,072</u>	<u>26,525</u>	<u>2,201,522</u>	<u>14,152,435</u>

**Net book value**

At 30 September 2023 (Reviewed)	<u>3,048,313</u>	<u>23,662,462</u>	<u>2,321,442</u>	<u>112,782</u>	-	<u>1,031,834</u>	<u>30,176,833</u>
At 31 December 2022 (audited)	<u>3,048,313</u>	<u>24,208,260</u>	<u>2,920,176</u>	<u>106,258</u>	-	<u>1,175,448</u>	<u>31,458,455</u>

Freehold land and building are mortgaged against the term loan obtained by the Group (Note 7).

**Banader Hotels Company B.S.C.**  
**Selected explanatory notes to the condensed interim consolidated financial information for the**  
**quarter and nine months ended 30 September 2023 (Reviewed)**  
**(Expressed in Bahrain Dinars)**

**5 Right-of-use assets**

	30 September 2023 <u>(Reviewed)</u>	31 December 2022 <u>(Audited)</u>
<b>Office and staff accommodation</b>		
Opening balance	144,076	215,264
Amortisation charge for the period/year (Note 13)	<u>(53,391)</u>	<u>(71,188)</u>
Closing balance	<u>90,685</u>	<u>144,076</u>

**6 Share capital**

	30 September 2023 <u>(Reviewed)</u>	31 December 2022 <u>(Audited)</u>
<b>Authorised share capital</b>		
<b>Equity shares</b> 300,000,000 (2022: 300,000,000) Equity shares of 100 fils each	<u>30,000,000</u>	<u>30,000,000</u>
<b>Irredeemable preference shares</b> Nil (2022: 148,336,150) Preference shares of 100 fils each	<u>-</u>	<u>148,336,150</u>
<b>Issued and fully paid-up</b>		
<b>Equity shares</b> 248,529,776 (2022: 36,620,990) Equity shares of 100 fils each	<u>24,852,976</u>	<u>3,662,099</u>
<b>Irredeemable preference shares</b> Nil (2022: 148,336,150) Preference shares of 100 fils each	<u>-</u>	<u>14,833,615</u>

**Additional information on shareholding pattern**

The names and nationalities of the major shareholders holding 5% or more of the issued shares as at 30 September 2023 are as follows:

<u>30 September 2023</u>	<u>Nationality</u>	<u>Number of shares</u>	<u>Percentage of shareholding interest</u>
Bahrain Maritime & Mercantile Intl Co	Bahraini	231,651,579	93.21%
General public and corporations	Various	<u>16,878,197</u>	<u>6.79%</u>
		<u>248,529,776</u>	<u>100%</u>

**Banader Hotels Company B.S.C.**  
**Selected explanatory notes to the condensed interim consolidated financial information for the**  
**quarter and nine months ended 30 September 2023 (Reviewed)**  
**(Expressed in Bahrain Dinars)**

**6 Share capital (continued)**

<u>31 December 2022</u>	<u>Nationality</u>	<u>Number of shares</u>	<u>Percentage of shareholding interest</u>
Bahrain Maritime & Mercantile Intl Co	Bahraini	19,742,793	53.91%
General public and corporations	Various	16,878,197	46.09%
		<u>36,620,990</u>	<u>100%</u>

The Group has only one class of equity shares and the shareholders have equal voting rights.

The distribution pattern of the issued share capital, setting out the number of shareholders and the percentages broken down into the following categories are as follows:

	<u>Number of shares</u>		<u>Number of shareholders</u>		<u>Percentage of total outstanding shares</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Less than 1%	16,878,197	12,162,418	3,143	3,110	6.79%	33.21%
1% up to less than 5%	-	4,715,779	-	7	-	12.88%
More than 5%	<u>231,651,579</u>	<u>19,742,793</u>	<u>1</u>	<u>1</u>	<u>93.21%</u>	<u>53.91%</u>
	<u>248,529,776</u>	<u>36,620,990</u>	<u>3,144</u>	<u>3,118</u>	<u>100%</u>	<u>100%</u>

In accordance with the resolution passed by the shareholders in their Extra-Ordinary General Meeting held on 10 August 2023 and due approvals received from Central Bank of Bahrain and other regulatory authorities in the Kingdom of Bahrain, 211,908,786 equity shares were issued to BMMI B.S.C. on conversion of 148,336,150 preference shares and receipt of cash consideration for the balance amount of BD1,181,472. The loss on conversion of preference shares into equity shares amounting to BD5,175,790 has been recognised in the accumulated losses in the statement of changes in shareholders' equity.

Necessary legal formalities to amend the Memorandum and Articles of Association along with the procedures with relevant Ministries in the Kingdom of Bahrain are currently in progress.

**7 Term loan**

	<u>30 September 2023</u> (Reviewed)	<u>31 December 2022</u> (Audited)
HSBC Bank Middle East Limited	9,931,490	11,509,057
Less: current portion of term loan	<u>(2,124,161)</u>	<u>(11,509,057)</u>
Non-current portion of term loan	<u>7,807,329</u>	<u>-</u>

This represents term loan of up to BD25,000,000 obtained from HSBC Bank Middle East Limited to finance the settlement of the previous credit facility obtained, fund the Hotel construction and its pre-operating expenses until the soft opening, and fund the retention payable to the Hotel's contractors. This loan bear interest rates varying from 2.5% to 2.75% plus T-bills rate, as applicable. The repayment schedule was revised from 43 quarterly instalments of BD195,746 to 60 monthly instalments of BD173,550 and final payment of BD171,129. The final instalment falls due on 30 June 2028.

**Banader Hotels Company B.S.C.**

**Selected explanatory notes to the condensed interim consolidated financial information for the quarter and nine months ended 30 September 2023 (Reviewed)  
(Expressed in Bahrain Dinars)**

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**7 Term loan(continued)**

The loan is secured against the freehold land and building (Note 4) and guarantee by BMMI B.S.C., a related party, of BD25,750,000.

The Group entered into an assignment of receivables agreement with HSBC Bank Middle East Limited on 8 July 2015 whereby the Group irrevocably and unconditionally assigned to the bank, all monies due and to become due to the Group from its operations until the full amount of loan, including interest, is settled.

That portion of the term loan which is payable within twelve months from the condensed consolidated interim statement of financial position date is disclosed as current portion of term loan.

**8 Derivative financial instrument**

	30 September 2023 (Reviewed)	31 December 2022 (Audited)
Interest rate swap	<u>45,912</u>	<u>-</u>

The interest rate swaps (IRS) have been entered into by the Group in order to hedge the interest payments on its floating rate borrowings. These have been classified as cash flow hedges by the Group. The fair value of derivative financial instruments resulted in the following fair value gain in the statement of comprehensive income for the period ended 30 September 2023 and was recorded in cash flow hedge reserve.

**9 Lease liabilities**

	30 September 2022 (Reviewed)	31 December 2022 (Audited)
Opening balance	148,242	216,599
Lease payments	(57,600)	(76,800)
Interest charge	<u>4,256</u>	<u>8,443</u>
	94,898	148,242
Less: current liabilities	<u>(20,088)</u>	<u>(72,942)</u>
Non-current liabilities	<u>74,810</u>	<u>75,300</u>

Maturity analysis - contractual undiscounted cash flows:

	30 September 2023 (Reviewed)	31 December 2022 (Audited)
Less than one year	24,300	74,892
One to five years	<u>74,973</u>	<u>81,943</u>
Total undiscounted lease liabilities	<u>99,273</u>	<u>156,835</u>

**Banader Hotels Company B.S.C.**  
**Selected explanatory notes to the condensed interim consolidated financial information for the**  
**quarter and nine months ended 30 September 2023 (Reviewed)**  
**(Expressed in Bahrain Dinars)**

**10 Amounts due to a related party**

	30 September 2023 <u>(Reviewed)</u>	31 December 2022 <u>(Audited)</u>
BMMI B.S.C.	10,979,993	8,845,818
Less: current portion of amounts due to a related party	<u>(10,979,993)</u>	<u>(8,845,818)</u>
Non-current portion of amounts due to a related party	<u>-</u>	<u>-</u>

**11 Operating income**

	Nine months ended 30 September 2023 <u>(Reviewed)</u>	Nine months ended 30 September 2022 <u>(Reviewed)</u>	Quarter ended 30 September 2023 <u>(Reviewed)</u>	Quarter ended 30 September 2022 <u>(Reviewed)</u>
Rooms	1,532,844	1,249,934	443,880	474,696
Food and beverages	474,813	372,764	131,563	109,902
Other operating departments	<u>307,792</u>	<u>269,274</u>	<u>96,090</u>	<u>92,407</u>
	<u>2,315,449</u>	<u>1,891,972</u>	<u>671,533</u>	<u>677,005</u>

**12 Operating costs**

	Nine months ended 30 September 2023 <u>(Reviewed)</u>	Nine months ended 30 September 2022 <u>(Reviewed)</u>	Quarter ended 30 September 2023 <u>(Reviewed)</u>	Quarter ended 30 September 2022 <u>(Reviewed)</u>
Food and beverages	174,305	140,607	44,396	37,640
Other overhead expenses	337,824	287,274	120,924	126,876
Direct labour	<u>531,229</u>	<u>472,805</u>	<u>163,113</u>	<u>167,255</u>
	<u>1,043,358</u>	<u>900,686</u>	<u>328,433</u>	<u>331,771</u>



**Banader Hotels Company B.S.C.**  
**Selected explanatory notes to the condensed interim consolidated financial information for the**  
**quarter and nine months ended 30 September 2023 (Reviewed)**  
**(Expressed in Bahrain Dinars)**

**13 General and administrative expenses**

	Nine months ended 30 September 2023 <u>(Reviewed)</u>	Nine months ended 30 September 2022 <u>(Reviewed)</u>	Quarter ended 30 September 2023 <u>(Reviewed)</u>	Quarter ended 30 September 2022 <u>(Reviewed)</u>
Staff costs	406,302	372,514	136,781	136,807
Commission	153,109	111,076	54,632	51,337
Corporate expenses	82,804	80,690	26,257	16,628
IT Costs	54,617	60,242	18,873	19,408
Amortisation of right-of-use asset (Note 5)	53,391	53,389	17,800	17,799
Management fees	53,630	39,071	14,423	14,772
Selling expenses	34,684	40,058	17,909	16,429
Contract services	50,203	28,775	17,106	10,050
Legal and professional fees	29,259	27,450	4,975	9,108
Advertisement and business Promotion	30,358	19,809	2,424	6,699
Printing and stationery	7,708	19,126	2,851	8,401
Other administrative expenses	<u>192,045</u>	<u>113,019</u>	<u>63,450</u>	<u>36,363</u>
	<u>1,148,110</u>	<u>965,219</u>	<u>377,481</u>	<u>343,801</u>

**14 Basic and diluted loss per share**

**a Basic loss per share**

Basic loss per share is calculated by dividing the net profit or loss attributable to the shareholders by the weighted average number of ordinary shares issued during the period.

	Nine months ended 30 September 2023 <u>(Reviewed)</u>	Nine months Ended 30 September 2022 <u>(Reviewed)</u>	Quarter ended 30 September 2023 <u>(Reviewed)</u>	Quarter ended 30 September 2022 <u>(Reviewed)</u>
Net loss attributable to the Shareholders	<u>(1,853,464)</u>	<u>(1,810,903)</u>	<u>(665,936)</u>	<u>(650,422)</u>
Weighted average number of ordinary shares used in basic loss per share	<u>76,208,346</u>	<u>36,620,990</u>	<u>154,092,165</u>	<u>36,620,990</u>
Basic loss per share	<u>(0.024)</u>	<u>(0.049)</u>	<u>(0.004)</u>	<u>(0.018)</u>

**Banader Hotels Company B.S.C.**  
**Selected explanatory notes to the condensed interim consolidated financial information for the**  
**quarter and nine months ended 30 September 2023 (Reviewed)**  
**(Expressed in Bahrain Dinars)**

**14 Basic and diluted loss per share (continued)**

**b Diluted loss per share**

The Company has potentially dilutive preference shares, hence the diluted loss per shares:

	Nine months ended 30 September 2023 <u>(Reviewed)</u>	Nine months ended 30 September 2022 <u>(Reviewed)</u>	Quarter ended 30 September 2023 <u>(Reviewed)</u>	Quarter ended 30 September 2022 <u>(Reviewed)</u>
<i>Numerator:</i>				
Loss used in diluted loss per share	<u>(1,853,464)</u>	<u>(1,810,903)</u>	<u>(665,936)</u>	<u>(650,422)</u>
<i>Denominator:</i>				
Weighted average number of ordinary shares	76,208,346	36,620,990	154,092,165	36,620,990
Effects of: convertible preference shares	<u>-</u>	<u>211,908,785</u>	<u>-</u>	<u>211,908,785</u>
Weighted average number of shares used in diluted loss per share	<u>76,208,346</u>	<u>248,529,776</u>	<u>154,092,165</u>	<u>248,529,775</u>
Diluted loss per share	<u>(0.024)</u>	<u>(0.007)</u>	<u>(0.004)</u>	<u>(0.003)</u>

Basic loss per share is calculated by dividing the net loss or loss attributable to the shareholders by the weighted average number of ordinary shares issued during the period, excluding the treasury shares purchased and held by the Group.

**15 Transactions and balances with related parties**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include the major shareholders, Board of Directors, key management personnel and their close family members and such other companies over which the Group or its major shareholders, Board of Directors, key management personnel and their close family members can exercise significant influence or can be significantly influenced by those parties. Transactions with the related parties are authorised by the management and are on arm's length basis.

Transactions with related parties are as follows:

<u>Related party</u>	<u>Related party relationship</u>	<u>Type of transaction</u>	Nine months ended 30 September 2023 <u>(Reviewed)</u>	Nine months ended 30 September 2022 <u>(Reviewed)</u>
BMMI B.S.C.	Shareholder	Sales	18,103	7,199
BMMI B.S.C.	Shareholder	Purchases	16,576	10,507
BMMI B.S.C.	Shareholder	Rent & Service Charge	<u>2,970</u>	<u>1,980</u>
			<u>37,649</u>	<u>19,686</u>

The total salaries to members of key management in 2023 (including salaries and benefits) amounted to BD41,400 (2022: BD36,657). The total sitting fees to Board of Directors in 2023 was BD8,700 (2022:BD9,600).

**Banader Hotels Company B.S.C.**  
**Selected explanatory notes to the condensed interim consolidated financial information for the**  
**quarter and nine months ended 30 September 2023 (Reviewed)**  
**(Expressed in Bahrain Dinars)**

**15 Transactions and balances with related parties (continued)**

A summary of related party balances is as follows:

	<u>Related party relationship</u>	<u>30 September 2023</u> (Reviewed)	<u>31 December 2022</u> (Audited)
<b><i>Amounts due from related parties</i></b>			
Bayader Company For Restaurant Management W.L.L.	Common shareholder	32,123	19,659
BMMI B.S.C.	Parent Company	31,241	21,939
Majestic Arjaan by Rotana	Common management	18,398	34,083
Rotana Hotel Management	Corporate office	15,500	15,881
Amman Rotana	Common management	-	<u>2,144</u>
		<u>97,262</u>	<u>93,706</u>
	<u>Related party relationship</u>	<u>30 September 2023</u> (Reviewed)	<u>31 December 2022</u> (Audited)
<b><i>Amounts due to related parties</i></b>			
BMMI B.S.C.	Parent Company	3,914	8,300
Majestic Arjaan by Rotana	Common management	1,754	2,865
City Centre Rotana Doha	Common management	179	-
Al Ain Rotana	Common management	82	-
Rotana Hotel Management	Corporate office	-	16,126
Amwaj Rotana - Jumierah Beach Dubai	Common management	-	<u>875</u>
		<u>5,929</u>	<u>28,166</u>
<b><i>Amounts due to a related party</i></b>			
BMMI B.S.C.	Shareholder	<u>10,979,993</u>	<u>8,845,818</u>

**16 Interim financial information**

The interim net profit for the quarter and nine months ended 30 September 2023 may not represent a proportionate share of the annual net profit due to the variability in the receipt of dividend and investment income.

**17 Segment reporting**

The Group's activities are restricted to building and investing in hotels. As the Group has hotel operations as its only business segment, no business segmental information has been presented.

The Group operates only in the Kingdom of Bahrain and, hence, no geographical segmental information is presented in this Reviewed condensed interim consolidated financial information.

**18 Subsequent events**

There were no significant events subsequent to 30 September 2023 and occurring before the date of the report that are expected to have a significant impact on these condensed interim consolidated financial information.