

BOARD CIRCULAR DATED 9 March 2026

THIS BOARD CIRCULAR (“CIRCULAR”) IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE BOARD OF DIRECTORS OF BAHRAIN FAMILY LEISURE COMPANY B.S.C. (“BFLC” OR THE “COMPANY”) AND THE ADVICE OF THE INDEPENDENT PROFESSIONAL ADVISER. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

Prior to making a decision, each recipient of this Circular is responsible for obtaining independent advice for considering the appropriateness of the Whitewash Resolution with regard to their respective objectives, financial situation and investment needs.

If you have sold or transferred all your shares in Bahrain Family Leisure Company B.S.C., you should immediately forward this Circular, together with the enclosed Notice of Extraordinary General Meeting and Form of Proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

If you are in any doubt about any aspect of this Circular, or as to the action you should take, you should consult a duly licensed securities dealer or licensed institution in securities, a bank manager, solicitor or attorney, professional accountant, or other professional adviser.

This Circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.



BAHRAIN'S PREMIER CASUAL DINING OPERATOR
الشركة البحرينية للترفيه العائلي ش.م.ب.
BAHRAIN FAMILY LEISURE COMPANY B.S.C

Bahrain Family Leisure Company B.S.C.

(Incorporated in the Kingdom of Bahrain under Commercial Registration No.: 32196)

(Registered Office: Office 15, Building 44, Road 1701, Block 317, Diplomatic Area, Kingdom of Bahrain)

CIRCULAR TO THE SHAREHOLDERS OF BAHRAIN FAMILY LEISURE COMPANY B.S.C.

DATED: 9 March 2026

IN RELATION TO THE PROPOSED WHITEWASH RESOLUTION FOR THE WAIVER OF THE RIGHT OF THE INDEPENDENT SHAREHOLDERS TO RECEIVE A MANDATORY OFFER FROM DIVIDEND GATE CAPITAL W.L.L. AND PARTIES ACTING IN CONCERT WITH IT

Professional Independent Adviser	Legal Adviser
	
Moore JFC Consulting WLL	ASAR – Al Ruwayeh & Partners

Financial adviser to the Company in connection with the Proposed Transaction.



SICO B.S.C.(c)

DISCLAIMER STATEMENT

THE CENTRAL BANK OF BAHRAIN, THE BAHRAIN BOURSE, AND THE MINISTRY OF INDUSTRY AND COMMERCE OF THE KINGDOM OF BAHRAIN ASSUME NO RESPONSIBILITY FOR THE ACCURACY AND COMPLETENESS OF THE STATEMENTS AND INFORMATION CONTAINED IN THIS BOARD CIRCULAR AND EXPRESSLY DISCLAIM ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM THE RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS BOARD CIRCULAR.

DIRECTORS' DECLARATION OF RESPONSIBILITY

THE DIRECTORS OF BAHRAIN FAMILY LEISURE COMPANY B.S.C., WHOSE NAMES APPEAR IN THIS DOCUMENT, JOINTLY AND SEVERALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF INFORMATION CONTAINED IN THIS CIRCULAR INCLUDING THE APPENDICES. TO THE BEST OF THE KNOWLEDGE AND BELIEF OF THE DIRECTORS, WHO HAVE TAKEN ALL REASONABLE CARE TO ENSURE THAT THIS IS THE CASE, THE INFORMATION CONTAINED IN THIS CIRCULAR IS IN ACCORDANCE WITH THE FACTS AND CONTAINS NO OMISSION LIKELY TO AFFECT THE IMPORTANCE AND COMPLETENESS OF THIS CIRCULAR.

This Board Circular has been prepared by Bahrain Family Leisure Company B.S.C. to provide information to its shareholders in connection with the proposed whitewash resolution for the waiver of the right of the Independent Shareholders (as defined herein) to receive a mandatory offer from Dividend Gate Capital W.L.L. in relation to the Proposed Transaction (as defined herein). Certain information contained in this Board Circular has been provided and/or vetted by relevant third parties. The Board of Directors does not assume any responsibility for the accuracy or completeness of such third-party information, except that, to the best of its knowledge and after making due inquiries, it is not aware of any such information being false.

This Circular has been filed with the Central Bank of Bahrain in the Kingdom of Bahrain, in accordance with the requirements of the Central Bank of Bahrain Rulebook, Volume 6, Takeovers, Mergers and Acquisitions Module.

This Circular is provided in both English and Arabic. In the event of any discrepancies between the English and Arabic versions of this Circular, the English language version shall prevail.

Board of Directors:

Name of Director	Title
Abdul Latif Khalid Al Aujan	Chairman
Ahmed Mohammed Janahi	Vice Chairman
Sharif Mohammed Ahmadi	Director
Bashar Mohammed Ali Alhasan	Director
Mohamed Algharbi	Director
Reem Alrayes	Director
Farooq Alkhaja	Director

On behalf of the Board of Directors

Abdul Latif Khalid Al Aujan
Chairman



SHAREHOLDERS SHOULD NOTE THAT THE EXTRAORDINARY GENERAL MEETING OF THE COMPANY TO VOTE ON THE WHITEWASH RESOLUTION IS SCHEDULED ON 30 MARCH 2026 OR SUCH LATER DATE(S) AS INDICATED IN THE NOTICE OF EXTRAORDINARY GENERAL MEETING ATTACHED TO THIS CIRCULAR.

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I. CORPORATE INFORMATION

Board of Directors	Abdul Latif Khalid Al Aujan — Chairman Ahmed Janahi — Vice Chairman Bashar Mohammed Ali Al Hassan — Director Farooq Mohamed H. Alkhaja — Director Sharif Mohamed Sharif Ahmadi — Director Mohamed Algharbi — Director Reem Alrayes — Director
Registered Office	Flat 15, Building 44, Road 1701, Block 317, Diplomatic Area, Kingdom of Bahrain
Share Registrars	Kfin Technologies (Bahrain) WL (KARVY)
Professional Independent Adviser	Moore JFC Consulting WLL, Kingdom of Bahrain
Legal Adviser	ASAR – Al Ruwayeh & Partners
Auditors	BDO, a Partnership Company (CR No. 10201)
Offeror	Dividend Gate Capital W.L.L. (CR No.: 110954)
Financial Adviser to the Company	SICO B.S.C.(c)

II. DEFINITIONS

For the purpose of this Circular, the following definitions apply throughout unless the context otherwise requires or is otherwise stated. Certain additional defined terms are set out in the body of this Circular, including in Section 3 of Part IV (Principal Terms of the Proposed Transaction). Where a term is defined in the body of this Circular but not in this Section II, that definition shall apply throughout this Circular with equal force.

Addendum	The addendum to the Original SPA dated 8 February 2026 between the Company and the Offeror, which amends the Original SPA in its entirety.
Affiliate	With respect to any person, any other person that directly or indirectly controls, is controlled by, or is under common control with such person. For purposes of this definition, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management, policies or affairs of a person, whether through the ownership of voting securities, by contract or otherwise.
AOA	The Articles of Association of the Company.
Bahrain	The Kingdom of Bahrain.
Bahrain Bourse or BHB	The licensed exchange of the Kingdom of Bahrain, established pursuant to Decree No. 60 of 2010.
Board or Board of Directors	The Board of Directors of the Company as at the Latest Practicable Date.
Business Day	A day on which banks, financial institutions, and the Bahrain Bourse are open for business in the Kingdom of Bahrain.
CBB	The Central Bank of Bahrain.
Circular or Board Circular	This circular to Shareholders in relation to the Proposed Transaction and the Whitewash Resolution.
CMSD	The Capital Markets Supervision Directorate of the CBB.
Companies Law	The Commercial Companies Law of the Kingdom of Bahrain (Legislative Decree No. 21 of 2001), as amended.
Company	Bahrain Family Leisure Company B.S.C., a public shareholding company incorporated in Bahrain under CR No. 32196.
Completion	The completion of the Proposed Transaction in accordance with the SPA.
Completion Date	The date on which Completion occurs, being not later than five (5) Business Days following satisfaction or waiver of the last outstanding Condition.
Conditions	The conditions precedent to Completion as summarised in Section 3.5 of this Circular.
Consideration Shares	13,809,524 new Ordinary Shares to be allotted and issued by the Company to the Offeror in consideration for the transfer of the Target Shares, at a price of BHD 0.269 per Consideration Share (nominal value BHD 0.100 plus premium of BHD 0.169).

Consideration Shares Aggregate Value	BHD 3,713,125, being the aggregate value of the Consideration Shares.
Contributed Assets	The Target Shares to be transferred by the Offeror to the Company pursuant to the SPA.
DGC BSC Closed	DGC BSC Closed, a Bahraini closed shareholding company (CR No.: 119450), being the sole shareholder of the Offeror.
Director	A person holding office as a director of the Company.
Earnings Per Share or EPS	A company's net profit divided by the number of its outstanding ordinary shares, serving as an indicator of a company's profitability.
EGM	The Extraordinary General Meeting of the Company to be convened to consider and, if thought fit, pass the Whitewash Resolution and related resolutions.
F&B	Food and beverage industry.
Independent Shareholders	The Shareholders of the Company other than the Offeror, parties acting in concert with the Offeror, their connected persons, and any other Shareholder who is involved in or has an interest in the Proposed Transaction.
Latest Practicable Date	19 February 2026, being the latest practicable date prior to the printing of this Circular.
Locked-Box Date	30 June 2025, being the date by reference to which the financial position of the Target has been determined for the purposes of the Proposed Transaction.
Long-Stop Date	30 June 2026], or such later date as the parties may agree in writing.
Mandatory Offer	An offer for all the outstanding voting shares of the Company not already held by an offeror or its concert parties, as required under Rule TMA-3.1.1 of the Module TMA.
MOA	The Memorandum of Association of the Company.
Module TMA	Volume 6 (Takeovers, Mergers and Acquisitions) of the CBB Rulebook.
MOIC	The Ministry of Industry and Commerce of the Kingdom of Bahrain.
Net Asset Value	The value of a company's total assets minus its total liabilities.
Offeror or DGC	Dividend Gate Capital W.L.L., a company with limited liability incorporated in Bahrain under CR No. 110954.
Offeror Partners	The persons, other than the Offeror, identified in Schedule 3 to the SPA and Appendix VI of this Circular (Offeror Partners) as having been promised, offered, allocated or otherwise claiming any direct or indirect right or entitlement to shares or other interests in the Target or any group company by or through the Offeror or any of its affiliates prior to Completion, who will receive Consideration Shares from the Offeror following Completion pursuant to post-Completion transfer arrangements.

	The Offeror and the Offeror Partners are treated as Parties Acting in Concert for the purposes of this Circular.
Ordinary Shares	The ordinary shares in the capital of the Company, each having a nominal value of BHD 0.100.
Original SPA	The share purchase agreement dated 25 November 2024 between the Company and the Offeror, as superseded by the Addendum.
Parties Acting in Concert	Persons who, pursuant to an agreement or understanding, cooperate to obtain or consolidate control of a company, as defined in the Glossary of Module TMA. For the purposes of this Circular, the Offeror and the Offeror Partners are treated as Parties Acting in Concert.
Professional Independent Adviser or PIA	Moore JFC Consulting WLL, the professional independent adviser appointed by the Board to advise the Independent Shareholders on the Whitewash Resolution.
Proposal Announcement	The announcement dated 5 December 2024 issued by the Company on the Bahrain Bourse disclosing signing the Original SPA regarding the Proposed Transaction.
Proposed Transaction	The proposed in-kind contribution by the Offeror of the Target Shares to the Company in consideration for the issuance of the Consideration Shares.
Purchaser	The Company in its capacity as purchaser of the Target Shares under the SPA.
Remedial Actions	Certain corporate restructuring and compliance actions required to be undertaken by the Offeror (or procured by it) prior to Completion in order to remedy material issues identified during the Company's due diligence review of the Truffle Group, including the elimination of intercompany indebtedness within the Truffle Group, the resolution of outstanding shareholder obligations at subsidiary level, the buy-out of minority interests in certain Group Companies, the regularisation of group insurance coverage, the provisioning of employee end-of-service indemnities, the registration and formal assignment of key intellectual property rights, and the restructuring of certain overseas operations to a franchise-based model, all as further detailed in the SPA.
Seller	The Offeror in its capacity as seller of the Target Shares under the SPA.
Share Registrar	Kfin Technologies (Bahrain WLL (KARVY))
Shareholders	The registered holders of Ordinary Shares in the Company.
SICO	SICO B.S.C.(c), the financial adviser to the Company in connection with the Proposed Transaction.
SPA	The share purchase agreement dated 25 November 2024 between the Company and the Offeror (as amended by the Addendum dated 8 February 2026), as may be further amended from time to time.
Target	Truffle Hospitality Holding W.L.L., a company with limited liability incorporated in Bahrain under CR No. 169032.

Target Shares	The entire issued share capital of the Target, being 1,000 ordinary shares of BHD 1.000 each.
Truffle Group	The Target and all of its subsidiaries and affiliated entities.
Whitewash Resolution	The resolution to be approved by the Independent Shareholders to waive their rights to receive a Mandatory Offer from the offeror as per the requirements of the TMA by way of a vote by a two-thirds majority of the shareholders at the EGM of the Company as per the requirements of the Companies' law.
Whitewash Waiver	A waiver from the CBB, pursuant to Rule TMA-3.1.15 of Module TMA, of the obligation on the Offeror to make a Mandatory Offer.

III. SUMMARY TIMETABLE

The following timetable is indicative only and may be subject to change. Any changes to the timetable will be announced through the Bahrain Bourse.

Event	Indicative Date
Signing of the Original SPA	25 November 2024
Proposal Announcement on the Bahrain Bourse	5 December 2024
Signing of the Addendum to the SPA	8 February 2026
CBB approval of this Circular	8 March 2026
Date of dispatch/publication of this Circular to Shareholders	9 March 2026
Last date and time for lodging Forms of Proxy	29 March 2026
Date and time of the Extraordinary General Meeting	30 March 2026
Announcement of EGM results on the Bahrain Bourse	31 March 2026
Expected Completion of the Proposed Transaction	23 April 2026

IV. LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS

Bahrain Family Leisure Company B.S.C.

(Incorporated in the Kingdom of Bahrain)

(Commercial Registration No.: 32196)

(Registered Office: Flat 15, Building 44, Road 1701, Block 317, Diplomatic Area, Kingdom of Bahrain)

To: The Shareholders of Bahrain Family Leisure Company B.S.C.

Dear Sir/Madam,

Re: Proposed Whitewash Resolution for the waiver of the right of the Independent Shareholders to receive a Mandatory Offer from Dividend Gate Capital W.L.L. and parties acting in concert with it in relation to the Proposed Transaction

1. INTRODUCTION

1.1 Purpose of the Circular

The purpose of this Circular is to provide you, as an Independent Shareholder of Bahrain Family Leisure Company B.S.C. (“BFLC” or the “Company”), with comprehensive information regarding the Proposed Transaction with Dividend Gate Capital W.L.L. and the Whitewash Resolution that you will be asked to vote on at the forthcoming Extraordinary General Meeting.

This document contains the recommendation of your Board of Directors, the independent advice from the Professional Independent Adviser, and the notice convening the EGM at which you will be asked to vote on the Whitewash Resolution and related resolutions.

1.2 Background

On 25 November 2024, the Company entered into the Original SPA with the Offeror. Subsequently, an announcement was made by BFLC on the Bahrain Bourse on 5 December 2024, disclosing the signing of the Original SPA and the agreed shareholding split to be implemented pursuant to the Proposed Transaction. Following the announcement, the Company engaged legal and financial advisers to conduct a comprehensive due diligence on the Truffle Group. Upon completion of the due diligence process, the Original SPA was amended by the Addendum dated 8 February 2026.

Under the terms of the SPA (as amended), the Company will allot and issue 13,809,524 new Ordinary Shares (the “Consideration Shares”) to the Offeror at a price of BHD 0.269 per Consideration Share (comprising a nominal value of BHD 0.100 and a premium of BHD 0.169) in consideration for the transfer of 100 per cent of the issued share capital of the Target. All Consideration Shares will be credited to the Offeror’s securities account at Completion. Upon Completion, the Offeror will hold approximately 58.0 per cent of the enlarged issued share capital of the Company.

The Proposed Transaction is structured on a locked-box basis by reference to the financial position of the Target as at 30 June 2025 (the “Locked-Box Date”). No post-Completion adjustment to the Consideration Shares is contemplated.

Following Completion, the Offeror intends to transfer a portion of the Consideration Shares to the Offeror Partners, being persons identified in Schedule 3 to the SPA and Appendix VI of this Circular who have existing rights or entitlements in respect of the Target. The Offeror and the Offeror Partners are treated as Parties Acting in Concert for the purposes of Module TMA. The aggregate holding of the Offeror and the Offeror Partners following Completion and the post-Completion transfers will not exceed 58.0 per cent of the enlarged issued share capital. Details of the Offeror Partners and their expected allocations are set out in Appendix VI.

Pursuant to Rule TMA-3.1.1 of Module TMA, any person who, together with parties acting in concert with them, acquires 30 per cent or more of the voting rights of a listed company is required to make a mandatory general offer for all the remaining shares in that company.

1.3 The Whitewash Waiver

The Proposed Transaction is strategically important for the Company for the reasons set out in Section 4 of this letter. The obligation to make a Mandatory Offer, which would require the Offeror to convert the all-scrip consideration into a cash offer to all Shareholders, would render the Proposed Transaction impracticable.

In accordance with Rule TMA-3.1.15 of Module TMA, the Offeror has applied to the CBB for a waiver of the mandatory offer obligation in respect of the Offeror and parties acting in concert with it. The CBB has granted its approval for the waiver of the mandatory offer obligation, conditional upon the approval of the Whitewash Resolution by the Independent Shareholders at the EGM.

To assist the Independent Shareholders in their decision, the Board has appointed Moore JFC Consulting WLL as the Professional Independent Adviser to provide an independent opinion on whether the financial terms of the Proposed Transaction are fair and reasonable and whether the Whitewash Resolution is in the interests of the Independent Shareholders.

1.4 Advice to Shareholders

By voting in favour of the Whitewash Resolution, Independent Shareholders waive their statutory protection under Module TMA to receive a Mandatory Offer at not less than the highest price (in cash, securities, or a combination thereof) paid by the Offeror or any party acting in concert with it for shares in the Company during the six months preceding the Proposal Announcement.

By voting in favour of the Whitewash Resolution you authorise the Company to issue new shares to the Offeror and thereby grant it control over the Company without triggering the mandatory-offer safeguard. This is an important decision and you are strongly encouraged to read this Circular in its entirety and to seek independent advice before voting.

2. THE CONTRIBUTED ASSETS

As consideration for the issuance of the Consideration Shares, the Offeror will transfer legal and beneficial ownership of the Truffle Group to the Company. The Truffle Group comprises the Target and its subsidiaries and affiliates, which together operate a portfolio of food and beverage concepts across multiple formats, including fast casual and fine dining restaurants, cafés, legacy concepts, and delivery-focused operations.

The Truffle Group has been valued at BHD 3,713,125 following extensive legal and financial due diligence. This valuation was prepared with the assistance of SICO B.S.C.(c), which was appointed by the Company as its financial adviser.

The Contributed Assets will be transferred on a locked-box basis by reference to the Locked-Box Date.

3. THE PROPOSED TRANSACTION

The Proposed Transaction will be effected under the SPA. The summary set out below is provided for convenience only and is qualified in its entirety by reference to the full text of the SPA. Shareholders and prospective investors are advised to read the full text of the SPA, copies of which are available for inspection as described in Section 12 of this letter.

3.1 Key Defined Terms under the SPA

Unless otherwise defined, capitalised terms used in this Section 3 have the meanings given in the SPA. For ease of reference, the principal terms are summarised below:

Accounts Error	Any error, misstatement, omission, non-compliance with IFRS or accounting policy inconsistency in the Locked Box Accounts other than to the extent fairly and specifically identified in Schedule 2 of the SPA.
Consideration Shares Aggregate Value	BHD 3,713,125.
Group Companies	The Target and its direct and indirect subsidiaries and associates as set out in Schedule 1 of the SPA and “ Group Company ” any of them individually.
Independent Appraiser	The audit or expert office, approved by the MOIC, appointed pursuant to Articles 8 to 11 of the Implementing Regulations to the Companies Law to value the in-kind contribution constituted by the Target Shares.
Locked-Box Date	30 June 2025.
Material Adverse Effect	Any event, change, circumstance, or effect that is, or would reasonably be expected to be, individually or in the aggregate, materially adverse to the business, assets, liabilities, financial condition or results of operations of the Target.
Price per Consideration Share	BHD 0.269, comprising a nominal value of BHD 0.100 and a premium of BHD 0.169.

3.2 Principal Terms of the SPA

Subject to the SPA, the Offeror will transfer to the Company 100 per cent of the issued share capital of the Target (being 1,000 ordinary shares of BHD 1.000 each) free and clear of all encumbrances.

In consideration for that transfer, the Company will issue and allot to the Offeror 13,809,524 new fully paid Ordinary Shares in the Company (the “Consideration Shares”) at a price of BHD 0.269 per Consideration Share, for a Consideration Shares Aggregate Value of BHD 3,713,125.

Following Completion, the Offeror will hold approximately 58.0 per cent of the enlarged issued share capital of the Company (comprising 23,809,524 Ordinary Shares). The existing Shareholders’ collective holding will be diluted from 100 per cent to approximately 42.0 per cent.

All Consideration Shares will be issued to the Offeror’s securities account at Completion. Following Completion, the Offeror intends to transfer part of the Consideration Shares to the Offeror Partners pursuant to pre-existing arrangements described in Schedule 3 to the SPA and Appendix VI of this Circular. The aggregate concert party holding will remain at 58.0 per cent of the Company’s enlarged issued share capital.

3.3 Locked-Box Mechanism

The Proposed Transaction is structured on a locked-box basis. The Consideration has been determined by reference to the financial position of the Target as at the Locked-Box Date (30 June 2025). No adjustment will be made to the number of Consideration Shares or the Consideration Shares Aggregate Value following Completion.

To protect the economic value of the Target between the Locked-Box Date and Completion, the SPA contains customary locked-box protections restricting certain payments, distributions, or other value transfers from the Target (each, a “Leakage”). The Offeror has undertaken to procure that no Leakage occurs during this period.

3.4 Other Key Covenants

Following Completion, for so long as the Offeror holds at least 10 per cent of the Company's issued share capital, the Offeror will be entitled to appoint one or more directors to the Board of the Company, subject to applicable laws, the Company's Articles of Association, and any applicable governance and eligibility requirements.

The SPA includes a non-compete obligation binding the Offeror for a period of three (3) years following Completion, restricting the Offeror from engaging in any business that competes with the business of the Company or the Truffle Group in any jurisdiction in which the Group Companies operate or have concrete plans to operate.

The SPA contains special indemnities from the Offeror in favour of the Company in respect of certain identified claims against members of the Truffle Group and certain accounting errors. These special indemnities are not subject to any monetary cap, are payable in cash on demand, and survive indefinitely. In addition, the SPA provides that eligible existing shareholders of the Company shall have a direct right of action against the Offeror in respect of certain claims under the SPA, enforceable as third-party beneficiaries.

The Offeror's aggregate liability under the warranties contained in the SPA is capped at BHD 3,713,125 (being the Consideration Shares Aggregate Value). This cap does not apply to the special indemnities referred to above or to claims arising from fraud, wilful misconduct or intentional misrepresentation.

3.5 Conditions Precedent

The Completion of the Proposed Transaction is conditional upon the satisfaction or waiver (where applicable) of the following conditions by the Long-Stop Date:

- (a) the CBB granting its unconditional written approval for the Proposed Transaction, the capital increase of the Company, and this Circular;
- (b) the passing of all necessary resolutions at the Company's EGM, including the approval of the capital increase, the issuance of the Consideration Shares, and the Whitewash Resolution;
- (c) the MOIC approving the valuation report from the Independent Appraiser, confirming that the value of the Target is not less than the Consideration Shares Aggregate Value of BHD 3,713,125;
- (d) the competent authorities granting their no-objection to the Offeror becoming a strategic partner in the Company pursuant to Article 127 bis of the Companies Law and to the non-application of the pre-emption rights of the Company's Shareholders in connection with the issuance of the Consideration Shares to the Offeror, if required;
- (e) the Purchaser having either (i) determined, acting reasonably, that no anti-trust or competition filing is required in connection with the Proposed Transaction, or (ii) the competent anti-trust or competition authority having granted unconditional written clearance for the Proposed Transaction;
- (f) the Seller's representations and warranties remaining true and correct in all material respects as of the Completion Date;
- (g) no Material Adverse Effect having occurred with respect to the Target since the Locked-Box Date;
- (h) the Offeror having procured the delivery of releases from the Offeror Partners in respect of the claims and amounts identified in the SPA and Appendix VI of this Circular; and
- (i) the Offeror having procured the completion of the Remedial Actions identified in the SPA.

As at the Latest Practicable Date, Conditions (e), (f), (g), (h) and (i) have been satisfied or are not yet due for satisfaction. The remaining Conditions are subject to the proceedings of the forthcoming EGM and regulatory approvals.

4. RATIONALE FOR THE PROPOSED TRANSACTION

The proposed share swap acquisition of the Target by Bahrain Family Leisure Company (BFLC) is a fundamental strategic pivot for the Company. This transaction is poised to transition the entity from a state of financial distress towards a platform for potential market leadership and growth. The effects of this combination will be profound, touching every aspect of the Company from its capital structure and operational efficiency to its competitive standing in Bahrain's dynamic food and beverage sector. This analysis outlines the primary effects of the transaction, focusing on capital fortification, operational synergies, brand complementarity, and the repositioning of the Company within the competitive landscape.

4.1 Fortification of Capital Structure

The most immediate and critical effect of the Proposed Transaction will be the comprehensive strengthening of the Company's capital base. The Company has been operating under significant financial strain, evidenced by substantial accumulated losses that have severely eroded its share capital. This situation created material uncertainty about its status as a going concern, as noted by its auditors. The Proposed Transaction, structured as a de facto reverse takeover, provides a crucial financial lifeline. By absorbing the healthier and more dynamic Truffle Group, the Proposed Transaction will effectively recapitalize the publicly listed entity. The weak balance sheet of the legacy Company will be superseded by the combined assets, revenue streams, and growth prospects of the new, larger company. This move is designed to:

Halt Equity Erosion: The Proposed Transaction will likely reduce the impact of ongoing losses from the Company's legacy operations that were depleting shareholder equity. Furthermore, Truffle Group's cash-generative asset base, positive net equity and diversified revenue streams are consolidated into the Company, replacing a balance sheet previously characterised by negative working capital and limited tangible collateral. The merged entity's pro-forma net-assets position is expected to move firmly into positive territory, thereby removing the auditors' material-uncertainty paragraph regarding going-concern status.

Improve Investor Confidence: A visibly stronger equity cushion, coupled with an articulated growth trajectory derived from Truffle Group's expansion pipeline, should narrow the current discount-to-book at which the Company trades and support re-rating toward sector EV/EBITDA multiples. Enhanced governance, via refreshed board composition and revised dividend policy, will further signal financial discipline to the market.

Non-Cash Transaction Conserving Company Resources: Because the consideration is entirely scrip-based, the Company preserves cash for integration costs and working-capital support. Post-combination, the enlarged free float and stronger credit metrics are expected to (i) reduce the marginal cost of debt by improving leverage ratios; (ii) facilitate access to funding lines that were previously unavailable; and (iii) provide headroom for secondary equity issuances to finance bolt-on acquisitions or greenfield concepts.

4.2 Operational Synergies and Economies of Scale

The proposed acquisition of Truffle Group by the Company represents a strategically compelling opportunity to strengthen BFLC's market position and accelerate its growth trajectory. The Proposed Transaction would enable BFLC to instantly expand its portfolio of hospitality concepts, enhance revenue diversification, and capture operational synergies across procurement, supply chain management, marketing, and overhead optimization. In addition to broadening its brand footprint and customer base, the acquisition is expected to support improved economies of scale, stronger negotiating power with suppliers and landlords, and enhanced cross-selling opportunities within the combined platform. Strategically, the transaction aligns with DGC and BFLC long-term vision of consolidating its presence in the hospitality sector while unlocking value through operational integration and disciplined expansion.

4.3 Enhanced Market Position and Brand Complementarity

The combination forges a multi-format F&B champion whose breadth of concepts, service models and price points is competitive in the Bahraini market, enabling the group to capture incremental share across every major dining occasion while diluting format-specific risk.

Diverse, cross-segment brand architecture. The legacy Company brings internationally recognised franchises such as Bennigan’s and its award-winning full-service Italian concept Cucina Italiana. Truffle Group contributes a pipeline of high-growth, locally curated brands spanning fast-casual Asian (Hong Kong), Bahraini heritage grills (Tikka & Kabab Ameen), Indian street-food (Rasmalai), and delivery-first cloud-kitchen formats (Don Ritos, Kumo, Bombay Bowl), together with a number of café and commissary operations. This complementary mosaic delivers economies of scope: shared culinary capabilities, menu innovation, and cross-promotional campaigns can be leveraged across multiple consumer cohorts without cannibalising existing traffic.

Scaled negotiating leverage and footprint expansion. A larger systemwide sales base increases bargaining power not only with suppliers but also with landlords seeking anchor tenants for mixed-use projects. The merged entity’s expanded covenant strength is expected to unlock preferential lease terms at high-footfall malls and new-build districts, accelerating unit rollout and raising barriers to entry for smaller competitors.

Marketing efficiency and brand-equity flywheel. A unified customer-data platform and loyalty scheme will enable precision targeting: family-oriented diners can be steered from Bennigan’s into Cucina Italiana weeknights, while late-night delivery customers of Don Ritos receive bundled offers for Kumo or Bombay Bowl. Consolidated media buying across the brand family materially lowers average customer-acquisition cost and magnifies share of voice during key trading periods such as Ramadan and F1 week.

Strategic positioning for regional expansion. With a curated mix of franchised Western staples and scalable Gulf-origin concepts, the group is structurally equipped to replicate its portfolio in neighbouring GCC markets via master-franchise or joint-venture structures, an option that was economically out of reach for the legacy Company on a stand-alone basis.

Collectively, these brand-driven advantages position the enlarged group to move from a niche local operator to a category-defining platform, capable of shaping consumer trends and setting pricing benchmarks across Bahrain’s F&B sector.

4.4 Repositioning within the Competitive Landscape

The Proposed Transaction elevates the Company from a niche, capital-constrained operator to a scale player capable of shaping competitive dynamics in Bahrain’s fast-growing food-service market.

Head-to-head with market leaders. Al Abraaj Restaurants Group (the only other listed, multi-brand home-grown operator) now controls multiple outlets across Bahrain following its December 2024 IPO. Global quick-service giants such as KFC and McDonald’s maintain broad footprint coverage. Post-combination, the enlarged group’s portfolio breadth, central kitchen capacity, and system-wide sales potential position it to compete for prime real-estate and digital “shelf space” on equal terms with these incumbents, rather than as a second-tier tenant.

Multi-format defensive moat. The combination of international casual-dining (e.g., Bennigan’s), premium full-service (Cucina Italiana), fast-casual Asian and Indian concepts, plus delivery-native cloud kitchens, equips the group to defend share across all key dining occasions (breakfast to late-night delivery) while diluting single-format risk. This breadth creates a portfolio hedge against cyclical shifts in consumer spend or format preferences.

Landlord and aggregator leverage. A larger system-wide revenue base strengthens the group’s bargaining power with mall developers and high-footfall mixed-use projects, translating into longer

leases, fit-out contributions, or revenue-share arrangements. It also improves the economics of third-party delivery by enabling lower commission tiers on platforms such as Talabat, an advantage smaller operators seldom capture.

Platform for GCC rollout. The GCC food-service market is forecast to grow significantly by 2030. By pooling brand IP, franchising expertise, and a strengthened balance sheet, the merged entity can replicate its concepts in neighbouring Saudi Arabia, Kuwait and the UAE through master-franchise or joint-venture structures, an avenue that was economically impractical for the legacy Company alone.

Strategic relevance to potential partners. Scale and category breadth enhance the group's attractiveness to (i) global franchisors seeking a regional operating partner; (ii) sovereign-backed real-estate developers that require anchor F&B tenants; and (iii) institutional investors targeting defensive consumer-staples exposure. This optionality further differentiates the merged company from smaller independents that remain sub-scale in a consolidating landscape.

In sum, the Proposed Transaction re-positions the Company as a tier-one contender in Bahrain's F&B sector, endowed with the operational heft, portfolio diversity, and financial flexibility needed to withstand intensified competition from both entrenched local conglomerates and expanding international chains, while providing a credible springboard for regional growth.

4.5 Conclusions

The Proposed Transaction represents a decisive pivot from financial distress to strategic renewal. By injecting a robust, cash-generative asset base into the listed vehicle, it simultaneously restores capital adequacy and extinguishes the going-concern overhang that has weighed on shareholder value. More importantly, it furnishes an offensive platform of sufficient scale, brand diversity, and operational leverage to compete head-to-head with Bahrain's leading food-service groups and to pursue disciplined regional expansion.

Balance-sheet revival. The all-share exchange recapitalises the Company without depleting cash, aligning statutory capital with operating reality and enabling access to lower-cost debt and equity funding.

Structural cost and revenue upside. Centralised procurement, shared-services consolidation, and cross-brand marketing are expected to enhance operating margins, while the enlarged concept portfolio mitigates single-format risk and captures incremental customer segments.

Strategic positioning. Scale confers negotiating power with suppliers, landlords, and delivery aggregators, and positions the group as a credible master-franchise or joint-venture partner for GCC rollout.

THE ADVANTAGES AND SYNERGIES OUTLINED IN THIS SECTION 4 ARE FORWARD-LOOKING IN NATURE AND DEPEND ON NUMEROUS ASSUMPTIONS, MANY OF WHICH ARE OUTSIDE THE CONTROL OF THE COMPANY AND TRUFFLE GROUP. ACCORDINGLY, THERE CAN BE NO ASSURANCE THAT THE ANTICIPATED BENEFITS WILL MATERIALISE IN FULL, WITHIN THE EXPECTED TIME FRAME, OR AT ALL. INVESTORS SHOULD THEREFORE NOT PLACE UNDUE RELIANCE ON THESE PROJECTIONS WHEN MAKING INVESTMENT DECISIONS, AND SHOULD READ THEM IN CONJUNCTION WITH THE RISK FACTORS AND CAUTIONARY STATEMENTS INCLUDED IN THIS CIRCULAR.

5. EFFECTS OF THE PROPOSED TRANSACTION

5.1 Impact on Share Capital

The Proposed Transaction will result in a significant change to the Company's share capital structure. The table below provides a summary of the authorized and issued share capital of the Company before and after the completion of the Proposed Transaction. This table is fundamental for shareholders to understand the change in the Company's equity base, which directly affects the value and nature of their investment.

Table 1: Revised Share Capital

Parameter	Before Transaction	After Transaction
Authorised Shares (No.)	100,000,000	100,000,000
Authorised Share Capital (BHD)	10,000,000	10,000,000
Issued & Paid-up Shares (No.)	10,000,000	23,809,524
Share Capital (BHD)	1,000,000	2,380,952
Share Premium (BHD)	Nil	2,332,173

5.2 Dilution of Existing Shareholdings

The issuance of new shares to the Offeror will dilute the percentage ownership of all existing Shareholders. The following table illustrates this direct impact by showing the shareholding structure of the Company before and immediately after the completion of the Proposed Transaction.

Table 2: Dilution Impact on Shareholdings (Before / At Completion)

Shareholder	Before (Shares)	Before (%)	At Completion (Shares)	At Completion (%)
Dividend Gate Capital W.L.L. ¹	0	0.00%	13,809,524	58.00%
Gulf Hotels Group B.S.C.	2,525,000	25.25%	2,525,000	10.61%
Other Public Shareholders	6,474,958	64.75%	6,474,958	27.19%
Treasury Shares	1,000,042	10.00%	1,000,042	4.20%
Total	10,000,000	100.00%	23,809,524	100.00%

Gulf Hotels Group B.S.C., currently the Company's largest shareholder holding 25.25 per cent of the issued share capital, will see its percentage holding diluted to approximately 10.61 per cent following Completion. Gulf Hotels Group B.S.C. will not dispose of any shares; the dilution results solely from the issuance of the Consideration Shares. The post-transfer position of Gulf Hotels Group B.S.C. is unchanged, as the on-transfer of Consideration Shares among concert party members does not affect other shareholders' holdings.

After Completion, the Offeror will endeavour to transfer the shares in the Company allotted at Completion to the Offeror Partners as detailed in Appendix VI hereto.

5.3 Effect on Voting Control and Board Composition

The Offeror and the Offeror Partners (as further detailed in Appendix VI of this Circular) (together constituting Parties Acting in Concert for the purposes of Module TMA) will collectively hold 58.0 per cent of the Company's voting rights following Completion, giving the concert party effective control over the Company, including the ability to pass ordinary resolutions without the support of other shareholders. While the Offeror will initially hold all Consideration Shares at Completion, a portion will be transferred to the Offeror Partners pursuant to pre-existing arrangements. The aggregate concert party holding will remain at 58.0 per cent. The Offeror will also be entitled to nominate directors to the

¹ Following Completion, the Offeror intends to transfer a portion of the Consideration Shares to the Offeror Partners pursuant to pre-existing arrangements. The expected post-transfer allocations among the Offeror and the Offeror Partners are set out in Appendix VI.

Board. Shareholders should refer to Section 7 (Information on the Company and the Offeror) for details of the Offeror's intentions regarding the future business, management, and employees of the Company.

Pro forma financial information reflecting the combined operations of the Company and the Truffle Group has not been prepared. Shareholders are advised to consult the report of the Professional Independent Adviser set out in Section V for an independent assessment of the financial effects of the Proposed Transaction.

6. THE WHITEWASH RESOLUTION

6.1 Background to the Whitewash Resolution

As described in Section 1 (Introduction), the issuance of the Consideration Shares to the Offeror will result in the Offeror and the Offeror Partners (together constituting Parties Acting in Concert for the purposes of Module TMA) collectively holding approximately 58.0 per cent of the Company's voting rights: a level that exceeds the 30 per cent threshold prescribed by Rule TMA-3.1.1 of Module TMA.

Pursuant to Rule TMA-3.1.1, any person who, together with parties acting in concert with them, acquires 30 per cent or more of the voting rights of a listed company is ordinarily required to make a mandatory general offer to all remaining shareholders of that company on the terms specified in Rule TMA-3.1.10.

However, Rule TMA-3.1.15 provides that relevant persons in an offer subject to the mandatory offer requirement may apply to the CBB for a waiver of that obligation where the mandatory offer arises as a result of the issuance of new securities as consideration for an acquisition (TMA-3.1.15(a)). The Proposed Transaction falls within this category, as the Consideration Shares are being issued to the Offeror as consideration for the in-kind contribution of the Target Shares.

The CBB has granted its approval for such waiver, subject to the conditions set out in Rule TMA-3.1.17 being satisfied, including the approval of the Whitewash Resolution by the Independent Shareholders at the EGM.

6.2 Effect of Voting in Favour of the Whitewash Resolution

Shareholders should carefully consider the following consequences of the Whitewash Resolution being approved:

(a) Waiver of mandatory offer protection. By voting in favour of the Whitewash Resolution, Independent Shareholders waive their right under Module TMA to receive a mandatory offer from the Offeror and parties acting in concert with it at not less than the highest price paid by the Offeror or any person acting in concert with it for shares in the Company during the six months preceding the Proposal Announcement. Neither the Offeror nor any party acting in concert with it has acquired any shares in the Company during the six months preceding the Proposal Announcement.

(b) Control exceeding 50 per cent. Following Completion, the Offeror and the Offeror Partners will collectively hold approximately 58.0 per cent of the voting rights of the Company, in excess of 50 per cent. Shareholders should note that, once a person and parties acting in concert with them hold shares carrying more than 50 per cent of the voting rights, that person and such concert parties will be free to acquire further shares in the Company without incurring any further obligation under Rule TMA-3.1 to make a mandatory offer.

(c) Potential deterrence of competing offers. Shareholders voting in favour of the Whitewash Resolution could be foregoing the opportunity to receive a mandatory offer from another person who may be discouraged from making such an offer due to the dilutive effect of the issuance of the Consideration Shares and the resulting concentration of control in the concert party.

(d) Non-transferability. Pursuant to Rule TMA-3.1.18, the CBB waiver granted in connection with the Whitewash Resolution cannot be transferred or assigned to any other person.

6.3 Conditions of the CBB Waiver

The CBB waiver is subject to the following conditions, as prescribed by Rule TMA-3.1.17:

(a) Independent vote. The Whitewash Resolution must be approved by an independent vote of the shareholders of the Company. For this purpose, “independent vote” means a vote by shareholders who are not involved in, or interested in, the Proposed Transaction (Rule TMA-3.1.17(a)).

(b) Separate resolution. The Whitewash Resolution is a separate resolution from all other resolutions to be proposed at the EGM, including the resolutions to approve the capital increase and the issuance of the Consideration Shares (Rule TMA-3.1.17(b)).

(c) Abstention from voting. The Offeror, the Offeror Partners, and any other parties not independent of them must abstain from voting on the Whitewash Resolution (Rule TMA-3.1.17(c)). As the Offeror does not currently hold any shares in the Company, this condition will be satisfied. As at the Latest Practicable Date, to the best knowledge of the board of directors of the Company, neither the Offeror Partners nor their associates hold any shares in the Company.

(d) No acquisitions during restricted period. The Offeror and parties acting in concert with it have not acquired, and will not acquire, any shares in the Company or instruments convertible into or conferring options in respect of shares of the Company: (i) during the period between the Proposal Announcement and the date on which the Whitewash Resolution is approved; and (ii) in the six months prior to the Proposal Announcement but subsequent to negotiations, discussions or the reaching of understandings or agreements with the directors of the Company in relation to the issuance of the Consideration Shares (Rule TMA-3.1.17(d)). As at the Latest Practicable Date, neither the Offeror nor DGC BSC Closed nor any of their directors or shareholders have dealt for value in shares of the Company during the six-month period prior to the Proposal Announcement.

(e) Professional Independent Adviser. The Company has appointed Moore JFC Consulting WLL as the Professional Independent Adviser to provide its independent shareholders with advice on the Whitewash Resolution, in accordance with Rule TMA-3.1.17(e). The advice of the Professional Independent Adviser is set out in Section V of this Circular.

(f) Circular. This Circular has been prepared and distributed to Shareholders in accordance with Rule TMA-3.1.17(f), containing the information required by Appendix TMA-A of Module TMA.

(g) CBB approval. The CBB has granted its approval in advance for the waiver of the mandatory offer obligation in accordance with Rule TMA-3.1.17(g), conditional upon the Whitewash Resolution being approved by the Independent Shareholders at the EGM.

6.4 Current Holdings of the Offeror and Concert Parties

As at the date of this Circular, neither the Offeror nor any Offeror Partner nor any party acting in concert with them holds any shares in the Company, nor any instruments convertible into, rights to subscribe for, or options in respect of, shares in the Company.

6.5 Voting Rights to be Acquired

Upon Completion, 13,809,524 Consideration Shares will be issued to the Offeror, representing approximately 58.0 per cent of the enlarged issued share capital of the Company (comprising 23,809,524 Ordinary Shares). The Offeror intends to transfer a portion of those shares to the Offeror Partners pursuant to pre-existing arrangements. The post-transfer allocation of Consideration Shares among the Offeror and the Offeror Partners is set out in Appendix VI. The aggregate concert party holding will remain at 58.0 per cent.

6.6 Board Recommendation

Having considered the terms of the Proposed Transaction and the opinion of the Professional Independent Adviser (as detailed in Section 8 of this Circular), the Board recommends that Independent Shareholders vote IN FAVOUR of the Whitewash Resolution.

The Board considers that the Proposed Transaction is in the best interests of the Company and its Shareholders as a whole for the reasons set out in Section 4 (Rationale for the Proposed Transaction).

Independent Shareholders who are in doubt as to the action they should take are advised to consult their own stockbrokers, bank managers, solicitors, accountants or other independent professional advisers immediately.

7. INFORMATION ON THE COMPANY AND THE OFFEROR

The Company

7.1 Corporate Identity

Bahrain Family Leisure Company B.S.C. (the “Company”) is a public joint stock company incorporated in the Kingdom of Bahrain under commercial registration number 32196 and listed on the Bahrain Bourse under the ticker symbol FAMILY. The Company’s registered office is at Office 15, Building 44, Block 317, Road 1701, Diplomatic Area, Manama, Kingdom of Bahrain (P.O. Box 11612). Its principal activities are concentrated in the food and beverage (F&B) sector, with a secondary mandate in family entertainment services. BFLC’s core business model involves the direct management and operation of casual dining restaurants, historically operating both international franchises and its own homegrown concepts. Its current operational portfolio consists of the American-themed franchise “Bennigan’s,” the proprietary Italian concept “Cucina Italiana,” and “Kazbah Catering,” which provides contract catering services.

The Company’s market position is that of a small-cap operator within Bahrain’s highly competitive and fragmented F&B industry. Its performance in recent years has been defined by significant and persistent financial challenges. For the fiscal year ended 31 December 2024, the Company reported a net loss of BHD 270,602, which increased its total accumulated losses to BHD 3,360,481. These accumulated losses had eroded a substantial majority of the Company’s BHD 4,000,000 share capital.

On 24 August 2025, the Company resolved, by way of Extraordinary General Meeting, to reduce its issued and paid-up capital from BHD 4,000,000 to BHD 1,000,000, to reduce the statutory reserve by BHD 596,195, and to reduce the capital reserve by BHD 51,184, in order to offset accumulated losses amounting to BHD 3,347,379 and to adjust the value of the treasury shares held by the Company in the amount of BHD 300,000. The EGM also resolved to amend the authorised share capital from BHD 20,000,000 to BHD 10,000,000. The capital reductions and the amendment and restatement of the Company’s Memorandum and Articles of Association were completed and disclosed to the market on 19 October 2025.

7.2 Share Capital

As at the date of this Circular, the authorised and issued share capital of the Company comprises 10,000,000 Ordinary Shares of BHD 0.100 each, fully paid up. Each Ordinary Share carries one vote.

Following Completion of the Proposed Transaction, the issued share capital of the Company will comprise 23,809,524 Ordinary Shares, following the issuance of 13,809,524 Consideration Shares to the Offeror.

No shares have been issued by the Company since the end of the last financial year other than the Consideration Shares, which are to be issued upon Completion.

As at the date of this Circular, there are no outstanding options, warrants, or conversion rights affecting shares in the Company.

7.3 Board of Directors

The directors of the Company as at the Latest Practicable Date are as follows:

Name	Position	Classification	Other Roles
Abdul Latif Khalid Al Aujan	Chairman	Independent & Non-Executive	Chairman of the Board and NR&CG Committee
Ahmed Mohamed Ali Janahi	Vice Chairman	Non-Independent and Non-Executive	GHG Group CEO and Chairman of Executive Committee and Member of NR&CG Committee of BFLC
Bashar Mohamed Ali Alhasan	Director	Independent and Non-Executive	Member of the Audit Committee
Farooq Mohamed H. Alkhaja	Director	Independent and Non-Executive	Member of Executive and NR&CG Committee
Sharif Mohamed Sharif Ahmadi	Director	Independent and Non-Executive	Chairman of Audit Committee and Member of NR&CG Committee
Mohamed Sayed Sameer Algharbi	Director	Non-Independent and Non-Executive	GHG CFO and Member of the Audit Committee of BFLC
Reem Alrayes	Director	Non-Independent and Non-Executive	GHG Legal Counsel and Member of Executive and NR&CG Committee of BFLC

7.4 Major Shareholders

As at the Latest Practicable Date, the only shareholder holding 5 per cent or more of the Company's voting rights is Gulf Hotels Group B.S.C. (Bahraini), holding 2,525,000 shares representing 25.25 per cent of the issued share capital. No other shareholder holds 5 per cent or more. Neither the Offeror nor DGC BSC Closed nor any of their directors or shareholders own any shares in the Company nor have dealt for value in shares of the Company during the six-month period prior to the Proposal Announcement.

7.5 Shareholdings and Dealings

(a) The Company does not hold any shares in the Offeror, nor has it dealt for value in any shares of the Offeror during the six-month period preceding the Latest Practicable Date.

(b) None of the Directors has any interest, direct or indirect, in the Truffle Group or in the Offeror, nor has any of them dealt for value in the shares of the Truffle Group or the Offeror during the six months preceding the Latest Practicable Date. No Director or member of the senior management of the Company will receive any transaction bonus, success fee, or other form of contingent compensation in connection with the Completion of the Proposed Transaction.

(c) Moore JFC Consulting WLL, in its capacity as Professional Independent Adviser to the Company, does not hold any shares in the Company and does not hold any shares in the Offeror. The Professional Independent Adviser has been appointed on a fixed-fee basis and its fee is not contingent on the outcome of the Proposed Transaction.

(d) The directors of the Company who hold beneficial shareholdings will vote on the Whitewash Resolution in accordance with their individual assessment of the merits of the Proposed Transaction. None of the Directors has any interest, direct or indirect, in the Offeror.

No person referred to in paragraphs (a) to (d) above has dealt for value in shares of the Company during the six months prior to the Latest Practicable Date.

7.7 Financial Information

The following summarised financial information has been extracted from the Company's audited financial statements:

Fiscal Year Ended 31 December 2023: Income Statement — Operating Income: BHD 1,182,716; Net Loss: BHD (378,766); Basic & Diluted Loss Per Share: Fils (10.52). Balance Sheet — Total Assets: BHD 2,070,749; Total Equity: BHD 1,373,293; Share Capital: BHD 4,000,000; Accumulated Losses: BHD (3,089,879).

Fiscal Year Ended 31 December 2024: Income Statement — Operating Income: BHD 1,357,980; Net Loss: BHD (270,602); Basic & Diluted Loss Per Share: Fils (7.52). Balance Sheet — Total Assets: BHD 1,931,417; Total Equity: BHD 1,102,691; Share Capital: BHD 4,000,000; Accumulated Losses: BHD (3,360,481).

The auditors' reports for both FY2023 and FY2024 contained a Material Uncertainty Relating to Going Concern emphasis of matter paragraph. The auditors, BDO, did not qualify their opinion. These losses were partially offset by the capital reduction registered in October 2025 as described in §7.1 above. The full audited accounts are included in Appendix V.

The Offeror

7.8 Corporate Identity

Dividend Gate Capital W.L.L. (the “Offeror”) is a company with limited liability incorporated in the Kingdom of Bahrain under Commercial Registration No. 110954-1. The Offeror’s registered office is at Flat 3606, Building 1459, Road 4626, Block 346, Manama / Sea Front, Kingdom of Bahrain.

7.9 Capital Structure, Group Structure, and Business

The Offeror was incorporated on 28 February 2017. Its authorised and issued share capital is BHD 608,000, divided into 6,080 shares of BHD 100 each, fully paid up. The Target’s authorised and issued share capital is BHD 1,000, comprising 1,000 Ordinary Shares of BHD 1.000 each, fully paid up. Dividend Gate Capital W.L.L. owns 100 per cent of the Target. As at the Latest Practicable Date, the Target does not hold any shares in the Company.

Dividend Gate Capital W.L.L. is a Bahrain-based private equity firm established in 2017, focused on building long-term value through active ownership of established small and mid-sized businesses across the GCC and selected international markets.

DGC’s investment approach centers on acquiring platform companies in sectors with strong underlying demand fundamentals, including hospitality, and supporting their growth through operational enhancement, professionalization of governance, and disciplined expansion strategies. Where appropriate, this includes pursuing selective add-on acquisitions to create scale, operational efficiencies, and improved market positioning.

The firm targets opportunities that fall outside the typical investment mandate of large-cap private equity funds, while also differing from venture capital models focused on early-stage or technology-driven businesses. This positioning enables DGC to pursue transactions where hands-on value creation and strategic execution are central to investment outcomes.

DGC’s ability to execute this strategy is underpinned by its experienced leadership team, led by Chairman Talal Al Zain, who brings extensive regional investment and governance experience from senior roles at Investcorp and Bahrain’s sovereign wealth fund, Mumtalakat. This depth of expertise has supported DGC in executing a number of landmark transactions, including the acquisition of a UAE-based healthcare platform as the foundation for regional growth, as well as selected international investments, including a luxury real estate development in Spain.

7.10 Ultimate Controlling Shareholders and Directors

The sole shareholder of the Offeror is DGC BSC Closed (CR No.: 119450). The entire share capital of the Offeror consisting of 6,080 shares with a nominal value of BHD 100 each is owned by DGC BSC Closed. The authorised signatories of the Offeror as registered with MOIC are Mr. Khaled Mohamed Jasim Al Hammadi and Mr. Mohamed Nedham Mohamed Noor Nedham, each authorised to sign solely.

DGC BSC (Closed) — Shareholders

As at the Latest Practicable Date, the shareholders of DGC BSC (Closed) as appearing in the MOIC register are as follows:

Table 3: DGC BSC (closed) Shareholders

English Name	Nationality	No. of Shares	Ownership (%)
Adel & Sadiq Trading Co. B.S.C (Closed)	BAHRAINI	425,600	7
Algozaibi Holding Co. W.L.L	BAHRAINI	230,613	3.7930
Ayman Tariq Mohamed Saeed	BAHRAINI	80,385	1.3221
Ebrahim Husain Ebrahim Al Jassmi	BAHRAINI	230,613	3.7930

Jameel Almatrook Co. W.L.L	BAHRAINI	584,922	9.62
Jubran Anwar Mohamed Abdulrahman	BAHRAINI	190,000	3.1250
Khaled Mohamed J. Al Hammadi	BAHRAINI	896,566	14.7462
Khalid Hamad Yahya Alyahya	SAUDI	230,613	3.7930
Khalil Mohamed Ameen Abdulla Alkhaja	BAHRAINI	76,000	1.25
Mk Capital W.L.L	BAHRAINI	1,975,529	32.4920
Mohamed Ahmed Mahmood Aljaber	BAHRAINI	230,613	3.7930
Olayan Bin Mohamed Bin Hamad Bin Wetaid	SAUDI	230,613	3.7930
Talal Ali Abdulla Alzain	BAHRAINI	230,613	3.7930
Tariq Mohamed Saeed Mearaj	BAHRAINI	80,384	1.3221
Turki Abdulrahman Mohammad Alsohaim	SAUDI	310,936	5.1141
Treasury Share	BAHRAINI	76,000	1.25

Board & Management

DGC BSC CLOSED is managed as at the Last Practicable Date by a board of directors comprised of the following 7 members:

Directors of the Offeror (DGC W.L.L.)

Name	Title
Khaled Al Hammadi	Director
Mohamed Nedham Khonji	Director

Directors of DGC BSC (Closed)

DGC BSC (Closed) is managed by its CEO Khaled Al Hammadi, supported by Managing Director Mohamed Nedham Khonji. The board comprises the following seven members:

Name	Title
Talal Al Zain	Chairman
Ebrahim Al Jassmi	Vice Chairman
Khaled Alyahya	Director
Ali Jameel Almatrook	Director
Jaafar Adel Hasan	Director
Mohamed Nedham Khonji	Managing Director & Board Member
Khaled Al Hammadi	CEO & Board Member

Key Biographies

Talal Al Zain

Talal Al Zain is a senior financial services executive with over 35 years of international experience across the MENA region, Europe, and the United States. He is the Founder and Chief Executive Officer of JISR Capital, a family office focused on real estate and investment opportunities. Mr. Al Zain has previously held senior executive and board-level positions, including Group Chief Executive Officer of Trust Re, Chief Executive Officer and Board Member of PineBridge Investments Middle East, and

Chief Executive Officer and Board Member of Bahrain Mumtalakat Holding Company, the sovereign wealth fund of the Kingdom of Bahrain. His earlier career includes senior roles at Investcorp Bank, Chase Manhattan Bank, and Citibank. Mr. Al Zain has served on the boards of a number of regional and international institutions, including Gulf Air, Bahrain International Circuit, and McLaren. He holds an MBA in Finance and has completed executive education at Harvard Business School. He is fluent in Arabic and English.

Ebrahim Al Jassmi

Ebrahim Husain Al Jassmi is a Bahraini national with extensive experience in the financial services sector exceeding four decades. His professional career includes senior advisory roles at Arab Banking Corporation (ABC), followed by executive appointments as Head of Funds at Ithmaar Bank and Chief Executive Officer of the Liquidity and Management Centre (LMC). He subsequently served as Chief Executive Officer and Board Member of Khaleeji Bank from 2004 to 2012. Since 2013, Mr. Al Jassmi has been the Owner of EHE Consulting W.L.L., providing financial and strategic advisory services, and he currently serves as a Board Member of DGC B.S.C. (Closed). Mr. Al Jassmi holds a Bachelor's degree in Economics and Finance from Kuwait University and a Master of Business Administration in Finance from the University of Bahrain. He is fluent in Arabic and English.

Khaled Al Hammadi

Khaled Mohamed Jassim Al Hammadi is a senior financial services executive with extensive experience in investment management, capital markets, and corporate governance. He is the Chief Executive Officer and a Board Member of Dividend Gate Capital B.S.C., which he co-founded in 2017, and is responsible for setting the Group's strategic direction, overseeing governance frameworks, and managing stakeholder and regulatory relationships. Mr. Al Hammadi has previously held senior roles with regional and international financial institutions, including Audacia Capital, The Islamic Bank of Asia, Gulf International Bank, and Abu Dhabi Investment House, with responsibilities spanning private equity, fund-raising, treasury, and investment advisory activities. He currently serves on several boards and committees across investment, hospitality, and operating companies. Mr. Al Hammadi holds an MBA from DePaul University, has completed executive leadership education at Harvard Business School, and has passed Capital Market Authority qualification examinations. He is fluent in Arabic and English.

7.11 Offeror's Intentions

The Offeror has articulated the following intentions in respect of the Company:

DGC intends to pursue a strategic combination between BFLC and Truffle, DGC's food and beverage platform. The objective of the Proposed Transaction is to establish a scaled, institutionally governed food and beverage group in the Kingdom of Bahrain, supported by a diversified brand portfolio, operational excellence, and strong corporate governance standards.

Key Objectives

- (a) **Market Consolidation and Scalable Growth:** The Proposed Transaction aims to support consolidation within Bahrain's food and beverage sector by integrating complementary brand portfolios and operational capabilities. The combined platform is expected to enhance long-term shareholder value, strengthen market positioning, and contribute to sustainable industry growth.
- (b) **Operational Continuity and Value Enhancement:** DGC intends to maintain BFLC's commercial registration and preserve employment stability, with no anticipated layoffs as a result of the Proposed Transaction. The focus will be on disciplined expansion, operational optimisation, cost efficiencies, and coordinated marketing and brand development initiatives to drive profitability and long-term value creation.
- (c) **Regional Expansion Strategy:** The combined entity is expected to leverage the Truffle Group's portfolio strength and operating expertise to identify growth opportunities beyond Bahrain. This includes pursuing measured regional expansion across the GCC, with particular focus on selective entry into key markets such as the Kingdom of Saudi Arabia.

7.12 Listing Status and Free Float

The Offeror confirms its intention to maintain the continued listing of the Company on the Bahrain Bourse following Completion. The concert party's aggregate holding of approximately 58.0 per cent reduces the free float to approximately 42.0 per cent (excluding treasury shares). The Offeror intends to ensure that the Company continues to satisfy the minimum free float requirements of the Bahrain Bourse.

7.13 Concert Parties

The principal members of the Offeror's concert group for the purposes of Module TMA are:

- (a) Dividend Gate Capital W.L.L. (the Offeror);
- (b) The Offeror Partners, being the individuals listed in Schedule 3 of the SPA and Appendix VI of this Circular who are the existing shareholders of the Target and who will receive a portion of the Consideration Shares from the Offeror pursuant to pre-existing arrangements.

7.14 Transfer of Securities

The Offeror intends to transfer a portion of the Consideration Shares to the Offeror Partners following Completion, pursuant to pre-existing arrangements. The names of the persons to whom such shares will be transferred, and the terms and conditions of such arrangements, are indicated in Appendix VI.

7.15 Disclosures

As of the Latest Practicable Date, other than the SPA and the Addendum, there are no material agreements or arrangements between the Company and the Offeror.

As of the Latest Practicable Date, neither the Offeror nor any of their directors or shareholders own any shares in the Company other than as disclosed in Appendix I.

8. OPINION OF THE PROFESSIONAL INDEPENDENT ADVISER

The Board has appointed Moore JFC Consulting WLL as the Professional Independent Adviser ("PIA") to provide independent advice to the Independent Shareholders on the Proposed Transaction and the Whitewash Resolution, in accordance with TMA-3.1.17(e). The full text of the PIA's report is set out in Section V of this Circular. Shareholders are strongly advised to read the PIA's report in its entirety.

The PIA has concluded that:

"Based on the analysis presented in this report and our careful consideration of the terms and conditions of the Proposed Transaction, it is our opinion that the resulting ownership structure, pursuant to which the existing shareholders of BFLC will hold 42% of the equity of in the enlarged share capital of BFLC and DGC, in exchange for its contribution of as the sole 100% owner of the share capital of Truffle, will hold the remaining 58%, is fair and reasonable from a financial point of view, and within the context of the overall Proposed Transaction. Accordingly, we recommend that the Independent Shareholders vote IN FAVOUR of the Whitewash Resolution at the EGM"

9. RECOMMENDATION OF THE BOARD OF DIRECTORS

The Board of Directors, having carefully considered the strategic rationale for the Proposed Transaction, its financial effects on the Company, and the independent advice provided by the PIA, is of the opinion that the Proposed Transaction is in the best interests of the Company and its Shareholders as a whole.

Accordingly, the Board of Directors recommends that the Independent Shareholders vote IN FAVOUR of the Whitewash Resolution and all other related resolutions to be proposed at the EGM.

No director of the Company has a conflict of interest in relation to the Proposed Transaction.

10. EXTRAORDINARY GENERAL MEETING (EGM)

The EGM will be held at Gulf Hotel (Awal-2), Manama, Kingdom of Bahrain on 30 March 2026 at 1:00 PM for the purpose of considering and, if thought fit, passing the resolutions set out in the Notice of EGM, which is attached as Appendix III to this Circular.

11. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders will find enclosed with this Circular a Notice of EGM and a Form of Proxy.

If you are unable to attend the EGM in person but wish to vote, you should complete, sign, and return the enclosed Form of Proxy in accordance with the instructions printed thereon. The form must be deposited with the Company's Share Registrar, at Zamil Tower, Office No. 74, 7th Floor, P.O. Box 514, Manama, Kingdom of Bahrain, no later than 24 hours before the time of the EGM.

The completion and return of a Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently decide to do so.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at Office 15, Building 44, Road 1701, Block 317, Diplomatic Area, Kingdom of Bahrain during normal business hours on any Business Day from the date of this Circular up to and including the date of the EGM:

- (a) The Memorandum and Articles of Association of the Company;
- (b) The SPA (including the original agreement dated 25 November 2024 and the Addendum dated 8 February 2026);
- (c) The annual reports of the Company for the last three financial years;
- (d) The report and letter of consent from the Professional Independent Adviser; and
- (e) The CBB's approval of the whitewash application under Module TMA;

Yours faithfully,

For and on behalf of the Board of Directors of

BAHRAIN FAMILY LEISURE COMPANY B.S.C.

Abdul Latif Khalid Al Aujan

Chairman

V. REPORT OF THE PROFESSIONAL INDEPENDENT ADVISER

The remainder of this page has been intentionally left blank. The Report of the Professional Independent Adviser commences on the following page.

Moore JFC Consulting W.L.L.

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PROFESSIONAL INDEPENDENT ADVISER'S REPORT

The Independent Shareholders,
Bahrain Family Leisure Company B.S.C.

19 February 2026

Dear Sirs,

PROFESSIONAL INDEPENDENT ADVISER'S REPORT TO THE INDEPENDENT SHAREHOLDERS OF BAHRAIN FAMILY LEISURE COMPANY B.S.C IN RESPECT OF THE PROPOSED TRANSACTION AND WHITEWASH RESOLUTION**1. INTRODUCTION**

On 12 August 2025, Moore JFC Consulting W.L.L. ("Moore JFC", "we", or "us") was appointed as the Professional Independent Adviser to prepare an independent valuation report and fairness opinion in connection with the proposed acquisition by Bahrain Family Leisure Company B.S.C. ("BFLC" or the "Company") of Truffle Hospitality Holding W.L.L. ("Truffle" or the "Target"), the food and beverage platform and wholly owned subsidiary of Dividend Gate Capital W.L.L. ("DGC" or the "Offeror").

The proposed acquisition is to be implemented by way of a share swap arrangement, pursuant to which BFLC will issue new ordinary shares to DGC in exchange for the transfer of 100% of the issued and paid-up share capital of Truffle to BFLC (the "Proposed Transaction").

Upon completion of the Proposed Transaction, the existing shareholders of BFLC are expected to hold approximately 42% of the enlarged issued and paid-up share capital of BFLC, while DGC will hold the remaining 58%. As a result, Truffle will become a wholly owned subsidiary of BFLC, and DGC will become the majority shareholder of the Company. As a result of the change in the shareholding of BFLC and in accordance with the requirements of the Take-overs, Mergers and Acquisitions Module ("Module TMA") of the Central Bank of Bahrain (the "CBB") Rulebook, Volume 6, the shareholders of BFLC will be requested to approve a waiver of their right to receive a mandatory tender offer from DGC, and any parties acting in concert with it, for the remaining issued ordinary shares of the Company not already owned by them (the "Whitewash Resolution").

BFLC appointed Moore JFC to carry out a valuation of BFLC and Truffle as of 30 June 2025 (the “Valuation Date”) for fairness opinion purposes (the “Engagement”).

2. TERMS OF REFERENCE

Moore JFC has been appointed to advise the Independent Shareholders of the Company on the financial terms of the Proposed Transaction between BFLC and Truffle and to provide an opinion on whether or not to vote in favor of the Whitewash Resolution in relation to the Proposed Transaction at the Extraordinary General Meeting (“EGM”).

In formulating our opinion and recommendation, we have drawn upon the information, opinions and facts provided to us by the Management of BFLC, relied on the information as set out in the transaction circular, audited financial statements of BFLC, and other relevant public information collated by us in connection with the Proposed Transaction. Whilst care has been exercised in reviewing the information we have relied upon, we have not independently verified the information and accordingly cannot and do not warrant, and do not accept any responsibility for the accuracy, completeness, or adequacy of such information. Notwithstanding any of the foregoing, we have made such enquiries and used our judgment as we deemed necessary or appropriate in assessing relevant information and are not aware of any reason to doubt its reliability.

It is outside our scope of work to assess or comment on the legal, strategic, or synergistic implications of accepting or rejecting the Proposed Transaction, including its impact on the future prospects of the Company and its shareholders. We also do not evaluate the relative merits of the Proposed Transaction compared with any alternative transactions previously considered, or that may be considered in the future. These assessments remain the sole responsibility of the BFLC Board and Management. However, where appropriate, we may rely on and take into account their evaluations when forming our recommendations.

We were neither a party to the negotiations, if any, that led to the Proposed Transaction, nor were we involved in the deliberations leading to the decision by the BFLC Board to enter into the Proposed Transaction and its subsequent actions relating thereto. We do not, by this report, warrant the merits of the Proposed Transaction other than to form a recommendation to the Independent Shareholders of the Company with respect to the Whitewash Resolution relating to the Proposed Transaction presented at the EGM. We were neither requested nor authorized to solicit, and we have not solicited, any indications of interest from any third party in respect of the Company’s shares or the shares of Truffle.

Moore JFC is not associated or connected with BFLC, Truffle, DGC, their directors, or any persons acting in concert with them, and accordingly, we are considered eligible to provide independent advice to the Independent Shareholders.

We have been advised by the BFLC Management that, to the best of their knowledge and belief, all material information in connection with the Proposed Transaction has been disclosed to us and that there are no omissions that would render any information given to us untrue, misleading or inaccurate. We have relied upon assurances of the BFLC Board that the circular relating to the Proposed Transaction has been prepared under their supervision and that they have taken all reasonable care to ensure that the facts stated and opinions

expressed therein are fair, accurate and not misleading. The BFLC Board jointly and severally accepts responsibility accordingly as per the Directors' Declaration contained in the circular.

The scope of our appointment does not require us to express, and we do not express, a view on the future prospects of BFLC, Truffle or the consolidated entity.

Our opinion is derived from the market, economic, industry and other conditions in effect, as well as the information made available to us, as at the Valuation Date. With the exception of change in Tikka Kabab & Ameen Qatar's shareholding structure, it does not take into account any events or developments occurring after that date, and we undertake no obligation to update, revise or reaffirm our opinion in response to any such subsequent changes.

In forming our recommendations, we have not taken into account the individual investment objectives, tax circumstances, financial positions, risk tolerance or particular needs of any specific shareholder. As shareholders may differ in these respects, we advise the BFLC Board to recommend that any shareholder requiring guidance on personal investment matters seek advice from their stockbroker, bank manager, solicitor, accountant, tax adviser or other appropriate professional.

This report is governed by, and shall be interpreted in accordance with, the laws of the Kingdom of Bahrain. It is strictly confined to the matters expressly addressed herein and should not be construed as extending to any other matters. Our recommendation regarding the Proposed Transaction must be read in conjunction with the full contents of this report and the accompanying circular.

3. INFORMATION ABOUT OFFEROR/BFLC

Details relating to the Offerer are provided in Appendix 'I' of this Circular.

4. INFORMATION ABOUT THE OFFEREE/TRUFFLE

Further information on the Offeree can be found in Appendix 'II' to this Circular.

5. EFFECT OF THE PROPOSED TRANSACTION

The effect of the Proposed Transaction has been detailed in section '5' of the Circular.

6. HISTORICAL FINANCIAL ANALYSIS OF BFLC

General Bases and Explanatory Statements

In the course of our analysis, we have relied on the following bases and explanatory statements:

1. Audited financial statements of BFLC for the years ended 31 December 2022, 2023, 2024 and for the six months ended 30 June 2025;
2. The issued and fully paid-up share capital of the Company as on 30 June 2025 is BHD 4 million;
3. The Company has treasury shares of BHD 400 thousand as of 30 June 2025;
4. As on the Latest Practicable Date, there are no outstanding convertible securities (including options) in respect to the capital of the Company; and,

Moore JFC is the trade name of Moore JFC Consulting W.L.L., an independent member of Moore Global, that serves through over 20 offices in 8 countries within GCC, the wider Middle East, and Africa

5. The information used in our assessment has been extracted, where available and/or applicable, from annual reports and financial statements, announcements, Company website, Bahrain Bourse website, Capital IQ, discussions with management, reports from other advisors and any other publicly available information and reports. We make no representation or warranties, express or implied, as to the accuracy or completeness of such information

6.1 BFLC – Income Statement and key ratios

Particulars	2022 A	2023 A	2024 A	H1 2025 M
Revenue	956,581	1,182,716	1,357,980	689,413
Cost of Sales	(698,311)	(888,670)	(1,098,310)	(601,089)
Gross Profit	258,270	294,046	259,670	88,054
Other Income	13,048	30,849	37,792	9,624
G&A Expenses	(138,405)	(161,496)	(165,939)	(95,040)
Selling & Marketing Expenses	(5,457)	(4,609)	(5,317)	(3,037)
EBITDA	127,456	158,790	126,206	(399)
Depreciation & Amortization	(235,317)	(191,931)	(175,055)	(90,434)
EBIT	(107,861)	(33,141)	(48,849)	(90,833)
Finance Cost on Lease Liability	(16,184)	(15,929)	(35,449)	(17,357)
EBT	(124,045)	(49,070)	(84,298)	(108,190)
Fair Value Gain or Loss on Investment	(684,980)	(329,696)	(186,304)	146,154
Loss on Discontinued Operations	12,282	-	-	-
Net Profit	(796,743)	(378,766)	(270,602)	37,964

Source: Bahrain Family Leisure Company B.S.C. Audited Financial Statements for the year ended 2022, 2023, 2024 and six months of 2025

Key Ratios	2022 A	2023 A	2024 A	H1 2025 M
Gross margin	27%	25%	19%	13%
EBITDA Margin	13%	13%	9%	-0.06%
Net Profit Margin	-83%	-32%	-20%	6%

Source: Moore JFC Analysis

Key Analysis

- The Company demonstrated stable operational efficiency from 2022 to 2023, with EBITDA margins holding steady at almost 13% despite increased business activity. However, 2024 and H1 2025 marked a noticeable decline in performance with EBITDA margins of 9% and -0.06% respectively. This decline reflects rising costs of goods sold (“COGS”), which increased at a faster pace than revenue.
- The Company’s net losses have narrowed significantly, improving from -83% in 2022 to -20% in 2024, following which it improved to a positive 6% by H1 2025. The losses were driven largely by significant non-operating losses, particularly fair-value losses on investments.

6.2 BFLC – Balance Sheet and key ratios

Particulars	2022 A	2023 A	2024 A	H1 2025 M
Property, plant and equipment	79,547	43,031	58,316	55,848
Intangible assets	10,197	4,611	-	-
Right-of-use assets	241,408	379,597	505,521	421,527
Financial assets at fair value through profit or loss	1,391,907	999,878	751,196	834,986
Total Non-Current Assets	1,723,059	1,427,117	1,315,033	1,312,361
Inventories	18,100	20,485	19,651	17,712
Trade and other receivables	59,837	99,676	156,913	122,907
Term Deposits	350,000	350,000	250,000	256,635
Cash and cash equivalents	131,257	173,471	189,820	242,108
Total Current Assets	559,194	643,632	616,384	639,362
Total Assets	2,282,253	2,070,749	1,931,417	1,951,723
Share Capital	4,000,000	4,000,000	4,000,000	4,000,000
Statutory reserve	794,927	794,927	794,927	794,927
Capital reserve	68,245	68,245	68,245	68,245
Accumulated losses	(2,711,113)	(3,089,879)	(3,360,481)	(3,322,517)
Treasury shares	(400,000)	(400,000)	(400,000)	(400,000)
Total Equity	1,752,059	1,373,293	1,102,691	1,140,655
Employees' terminal benefits	69,014	73,838	45,377	44,511
Non-current portion of lease liabilities	131,729	261,918	361,855	305,563
Total Non-Current Liabilities	200,743	335,756	407,232	350,074
Trade and other payables	207,944	233,765	257,266	319,987
Current portion of lease liabilities	121,507	127,935	164,228	141,007
Total Current Liabilities	329,451	361,700	421,494	811,068
Total Equity and Liabilities	2,282,253	2,070,749	1,931,417	1,951,723

Source: Bahrain Family Leisure Company B.S.C. Audited Financial Statements for the year ended 2022, 2023, and 2024

Key Ratios	2022	2023	2024	H1 2025 M
Current Ratio	1.70	1.78	1.46	1.39
PP&E / Total Assets	3%	2%	3%	3%
Equity / Total Assets	77%	66%	57%	58%

Source: Moore JFC Analysis

Key Analysis

- In 2022 and 2023, current ratios of 1.70 and 1.78 indicate strong liquidity, with current assets exceeding current liabilities. However, in 2024 and H1 of 2025, the ratio declines to 1.46 and 1.39 respectively, showing a noticeable tightening of liquidity.
- Property, plant, and equipment (“PP&E”) comprise buildings on leasehold land, kitchen equipment, furniture, fixtures, office equipment, and motor

vehicles. All assets are utilized for business operations and are subject to annual depreciation on straight-line basis.

- The decline in equity-to-assets ratio from 77% to 66% in 2023 and further to 57% in 2024 mainly reflects the impact of accumulating losses.

6.3 BFLC – Cash Flow Statement

Particulars	2022 A	2023 A	2024 A	H1 2025 M
Cash Flows from Operating Activities				
Net Loss for the Year	(796,743)	(378,766)	(270,602)	37,974
Adjustments for:				
Depreciation on PPE	66,382	40,546	16,299	6,440
Amortization on Intangible Assets	3,707	5,586	831	-
Amortization of right-of-use asset	165,228	145,799	157,925	83,994
Loss/(gain) on disposal of PPE	-	-	13,788	-
Loss on PPE written off	-	-	2,706	-
Loss on intangible assets written off	-	-	3,780	-
Unrealized fair value loss on fin. assets at FVTPL	747,292	392,029	248,682	(83,790)
Finance Cost on lease liabilities	16,184	15,929	35,449	17,357
Interest income	(10,075)	(20,170)	(20,013)	(8,783)
Dividend income	(62,312)	(62,333)	(62,378)	(62,364)
Gain on sale of property, plant and equipment	(1,100)	(1,281)	-	-
Gain on lease termination	-	-	(127)	-
Inventories	(938)	(2,385)	834	1,939
Trade and other receivables	(6,048)	(39,839)	(57,237)	18,866
Trade and other payables	(57,904)	25,821	23,501	78,308
Employees' terminal benefits, net	2,922	4,824	(28,461)	(866)
Net cash provided by operating activities	66,595	125,760	64,977	89,065
Purchase of property, plant and equipment	(610)	(4,069)	(58,721)	(3,972)
Proceeds from sale of fin. assets at FVTPL	17,995	-	10,643	-
Proceeds from sale of PPE	1,100	1,320	20,013	-
Interest received	10,075	20,170	100,000	8,336
Net movement in term deposits	-	-	-	(6,635)
Dividend received	62,312	62,333	62,378	62,364
Net cash provided by investing activities	90,872	79,754	134,313	60,093
Principal and interest paid on lease liabilities	(180,000)	(163,300)	(182,941)	(96,870)
Net cash used in financing activities	(180,000)	(163,300)	(182,941)	(96,870)
Net increase/(decrease) in cash and cash equivalents	(22,533)	42,214	16,349	52,288
Opening cash and cash equivalents (beginning)	153,790	131,257	173,471	189,820
Cash and cash equivalents	131,257	173,471	189,820	242,108

Key Analysis

- Cash and cash equivalents reflect a positive growth from BHD 131 thousand in FY2022 to BHD 242 thousand in H1 2025. The main reason is improved profitability and reduced servicing requirements of lease liabilities.

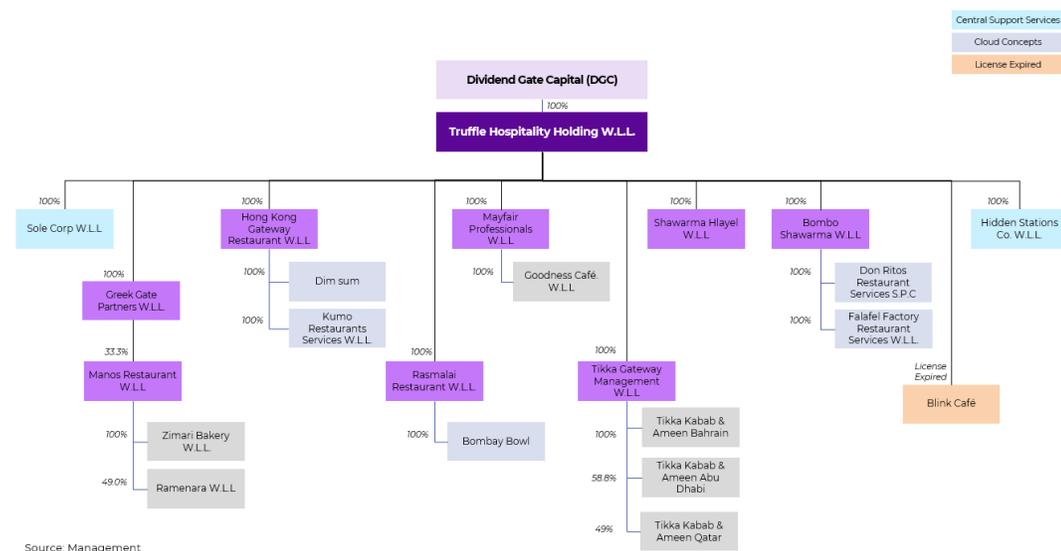
7. HISTORICAL FINANCIAL ANALYSIS OF TRUFFLE

General Bases and Explanatory Statements

In the course of our analysis, we have relied on the following bases and explanatory statements:

1. Truffle's individual investments' audited financial statements (excluding Tikka Gateway Management W.L.L) for the years ended 31 December 2022, 2023 and 2024;
2. Tikka Gateway Management W.L.L audited financial statements for the years ended 31 March 2023 and 2024 and management accounts for the year ended 31 March 2025;
3. Truffle's individual investments' income statements for the six months ended 30 June 2025 and cash and related party balances as at 30 June 2025;
4. Truffle Holding's unaudited consolidated financial statements for the period ended 30 June 2025;
5. The issued and fully paid-up share capital of Truffle as on 30 June 2025 is BHD 1,000;
6. As on the Latest Practicable Date, there are no outstanding convertible securities (including options) in respect to the capital of Truffle; and,
7. The information used in our assessment has been extracted, where available and/or applicable, from annual reports and financial statements, announcements, Truffle website, Capital IQ, discussions with Truffle's management, reports from other advisors and any other publicly available information and reports. We make no representation or warranties, express or implied, as to the accuracy or completeness of such information

Truffle was incorporated in October 2023 and is a wholly owned subsidiary of Dividend Gate Capital W.L.L.. Truffle is a holding company managing restaurants, cafés, and central kitchens in Bahrain. Given below is a structure of Truffle's investments.



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Truffle's consolidated financial statements were not available for the historical periods. Consequently, we have analysed the historical performance for each individual investment. Presented below is an overview of historical performances of Truffle's investments.

7.1 Historical analysis of Truffle's investments

a. Rasmalai Restaurant W.L.L. (Standalone)

Amount in BHD	2022A	2023A	2024A	H12025M
Revenue	162,870	431,794	488,343	211,985
Cost of sales	(84,747)	(187,203)	(208,561)	(91,314)
Gross profit	78,123	244,591	279,782	120,671
EBITDA	(1,543)	77,298	77,292	52,750

Margins - %	2022A	2023A	2024A	H12025M
Gross margin	48%	57%	57%	57%
EBITDA margin	(1%)	18%	16%	25%

Key Analysis:

- Rasmalai Restaurant W.L.L. ("Rasmalai") offers a fine dining experience focused on Indian Balti cuisine, and owns 100% of Bombay Bowl. However, the historical analysis above excludes Bombay Bowl operations.
- Net revenue increased by c.9.46% from BHD 162.6k in 2022A to BHD 431k in 2023A, primarily driven by increase in number of locations along with ramp up of existing Hala Plaza branch operations which started in Feb'22. Between 2023A and 2024A, revenue increased by 11.5%
- EBITDA margin shows a turnaround from -1% to 18%, demonstrating a significant improvement in operating efficiency and cost control. Between 2023A to 2024A the margin decreased to 16%, and recovered to 25% by H12025M.

b. Bombay Bowl Restaurant Services S.P.C. (Cloud-Concept)

Amount in BHD	2023A	2024A	H12025M
Revenue	8,018	19,011	13,688
Cost of sales	(4,811)	(11,407)	(10,677)
Gross profit	3,207	7,604	3,011
EBITDA	3,207	7,604	3,011

Margins - %	2023A	2024A	H12025M
Gross margin	40%	40%	22%
EBITDA margin	40%	40%	22%

Key Analysis

- Bombay Bowl, operating as a cloud kitchen concept, incurs minimal cost by leasing kitchen space from Rasmalai Restaurant W.L.L. It is expected to continue operating from all Rasmalai Restaurant locations throughout the projected period.
- The net revenue increased by c.137.1% from BHD 8k in 2023A to BHD 19k in 2024A. This was primarily driven by increase in number of orders. In H12025M, revenue amounted to 13,688 which shows that revenue is in the direction to match or exceed 2024 revenue.
- Between 2023A and 2024A, gross margin averaged at 40% before dropping to 22% in H12025M, the reason of the drop in gross margin was because of increase on cost of goods sold.

c. Shawarma Hlayel W.L.L.

Amount in BHD	2024A	H12025M
Revenue	186,596	114,914
Cost of sales	(108,742)	(62,846)
Gross profit	77,854	52,068
EBITDA	15,013	10,851

Margins - %	2024A	H12025M
Gross margin	42%	45%
EBITDA margin	8%	9%

Key Analysis

- Shawarma Hlayel W.L.L. ("Shawarma Hlayel") was established in 2024, offering shawarma, kebabs, and grills from Middle Eastern recipes.
- Half-year revenue as of H12025M amounted to BHD 114,914 compared to 2024A full-year revenue of BHD 186,596. The entity appears to be on track to surpass revenue achieved in 2024A. The business maintains a digital presence and utilizes various marketing channels.
- The gross margin of 42% and EBITDA margin of 8% in 2024A remained slightly low as compared to gross margin of 45% and EBITDA margin

of 9% in H12025M due to higher initial operating expenses and low revenue ramp up in 2024A being the first year of operations.

d. Bombo Shawarma W.L.L. (Standalone)

Amount in BHD	2023A	2024A	H12025M
Revenue	414,537	294,028	102,438
Cost of sales	(241,429)	(220,862)	(71,310)
Gross profit	173,108	73,166	31,129
EBITDA	(27,480)	(141,163)	(38,748)

Margins	2023A	2024A	H12025M
Gross margin	42%	25%	30%
EBITDA margin	(7%)	(48%)	(38%)

Key Analysis

- Bombo Shawarma W.L.L. (“Bombo Shawarma”) is a Bahrain-based fast-casual dining brand established in 2018, known for its freshly baked bread and signature shawarmas. Bombo Shawarma owns 100% of Don Ritos Restaurant Services and Falafel Factory Restaurant Services. However, the historical analysis above excludes Don Ritos and Falafel Factory operations.
- The revenue decreased by 29.04% from BHD 414k in FY23 to BHD 294k in FY24 primarily due to reduction in revenue per day per branch from BHD 189 in 2023A to BHD 134 in 2024A.. The revenue further declined by c.30.5% from BHD 294k in 2024A to BHD 102,438 IN H12025M.
- Gross margin declined from 42% in 2023A to 25% in 2024A before partially recovering to 30% in H12025M, indicating a period of significant cost pressure followed by early signs of operational or pricing improvement. EBITDA margin deteriorated from –7% to a severe –48% before improving slightly to –38%, reflecting operational challenges with some early stabilization.

e. Don Rito's Restaurant Services S.P.C. (Cloud-Concept)

Amount in BHD	2024A	H12025M
Revenue	14,536	4,961
Cost of sales	(12,501)	(3,820)
Gross profit	2,035	1,141
EBITDA	2,035	1,141

Ratios in %	2024A	H12025M
Gross profit %	14%	23%
EBITDA %	14%	23%

Key Analysis

- Don Rito's, operating as a cloud kitchen concept, incurs minimal cost by leasing kitchen spaces from Bombo Shawarma.
- The net revenue decreased by c.31.7% from BHD 14.5k in 2024A to BHD 10k (annualized) in H12025M. This was primarily driven by decline in revenue per day per branch.
- Gross margin rises from 14% in 2024A to 23% in H12025M, indicating a strong rebound driven by improved pricing or cost efficiency early in the year.
- EBITDA margin's increase from 14% in 2024A to 23% in H12025M reflects higher profitability emerging even within just half a year.

f. Falafel Factory Restaurant Services W.L.L. (Cloud-Concept)

Amount in BHD	2024A	H12025M
Revenue	20,019	7,541
Cost of sales	(17,216)	(7,564)
Gross profit	2,803	(23)
EBITDA	2,803	(23)

Margins - %	2024A	H12025M
Gross margin	14%	0%
EBITDA margin	14%	0%

Key Analysis

- Falafel Factory, operating as a cloud kitchen concept, incurs minimal cost by leasing kitchen spaces from Bombo Shawarma.
- The net revenue decreased by c.24.66% from BHD 20k in 2024A to BHD 15k (annualized) in H12025M. This was primarily driven by decline in revenue per day per branch.
- The fall in EBITDA margin from 14% in 2024A to 0% in H12025M over the same period indicates that rising operating costs have fully absorbed profitability, leaving the business at breakeven on an operating earnings basis.

g. Manos Restaurant W.L.L.

Amount in BHD	2022A	2023A	2024A	H12025M
Revenue	729,999	1,003,155	1,032,105	589,538
Cost of sales	(397,617)	(461,254)	(468,142)	(271,333)
Gross profit	332,382	541,901	563,963	318,205
EBITDA	83,488	202,982	122,152	115,873

Margins - %	2022A	2023A	2024A	H12025M
Gross margin	46%	54%	55%	54%
EBITDA margin	11%	20%	12%	20%

Key Analysis

- Manos Restaurant W.L.L. (“Manos”) provides a dine-in experience with a focus on Greek cuisine. Manos owns 100% of Zimari Bakery and 49% of Ramenara. However, the historical analysis above excludes Zimari Bakery and Ramenara operations.
- The net revenue increased by annual CAGR of c.19% from BHD 729.9k in 2022A to BHD 1,032.1k in 2024A. This was primarily driven by increase in scale of existing operations.
- In 2024A one off cost of repair and maintenance and VAT penalty was incurred due to which EBITDA margin dipped from 20% in 2023 to 12% in 2024A. However, in H12025M, EBITDA margin increased to 20% showcasing higher profitability.

h. Zimari Bakery W.L.L.

Amount in BHD	2023A	2024A	H12025M
Revenue	40,102	59,616	49,872
Cost of sales	(27,063)	(36,276)	(23,950)
Gross profit	13,039	23,340	25,922
EBITDA	(38,415)	(32,477)	(5,691)

Margins - %	2023A	2024A	H12025M
Gross margin	33%	39%	52%
EBITDA margin	(295%)	(139%)	(22%)

Key Analysis

- Zimari Bakery W.L.L. ("Zimari") positioned as a neighborhood, family-friendly bake shop and specializes in offering traditional and authentic Greek pastries accompanied by hot beverages.
- The net revenue increased by c.49% from BHD 40.1k in 2023A to BHD 59.6k in 2024A. This was primarily driven by increase in scale of existing operations. In H12025M, revenue is recorded as BHD 49,872 which signals that Zimari is in the right direction to exceed previous years' revenues.
- Due to the presence of high fixed operating costs, the branch operated at negative EBITDA levels from -295% in 2023A to -139% in 2024A further to -22% in H12025M. However, in H12025M, gross margin increased significantly from 39% in 2024A to 52%.

i. Ramenara W.L.L.

Amount in BHD	2023A	2024A	H12025M
Revenue	200,734	337,772	177,056
Cost of sales	(95,195)	(136,585)	(69,489)
Gross profit	105,539	201,187	107,567
EBITDA	4,945	44,304	29,016

Margins - %	2023A	2024A	H12025M
Gross margin	53%	60%	61%
EBITDA margin	2%	13%	16%

Key Analysis

- Ramenara W.L.L. (“Ramenara) specializes in fine dining and authentic ramen cuisine.
- The net revenue increased by c.68% from BHD 200.7k in 2023A to BHD 337.7k in 2024A further to BHD 177,056 in H12025M. This was primarily driven by increase in scale of existing operations
- Both gross and EBITDA margins have increased over the years from 2023A to H12025M. This showcases the ability to maintain and enhance operational efficiency and profitability.

j. Mayfair Professionals W.L.L.

Key Analysis

- Mayfair Professionals W.L.L. is a special purpose vehicle (SPV) incorporated in 2019 solely for the purpose of holding equity investments in three café businesses: Goodness Café, Mayfair Café, and Blink Café. Its role is limited to acting as a passive holding entity.
- SPV itself is not part of the ongoing transaction. Instead, upon successful completion of the transaction, it is expected that the ownership interests in the three cafés will be transferred directly to the acquiring party, thereby rendering the SPV structurally redundant in the context of the deal.
- Given the non-operational nature of the SPV, its exclusion from the transaction, and the unavailability of recent financial statements, no value has been assigned to Mayfair Professionals W.L.L. for the purpose of this valuation exercise.

k. Goodness Café W.L.L.

Amount in BHD	2023A	2024A	H12025M
Revenue	186,272	219,403	121,197
Cost of sales	(60,684)	(82,245)	(35,038)
Gross profit	125,588	137,158	86,158
EBITDA	(17,258)	(40,656)	(14,606)

Margins - %	2023A	2024A	H12025M
Gross margin	67%	63%	71%
EBITDA margin	-9%	-19%	-12%

Key Analysis

- Goodness Café W.L.L. (“Goodness”) is a home-grown Bahraini café brand, launched in 2022.
- The net revenue increased by c.18% from BHD 186.2k in 2023A to BHD 219.4k in 2024A and amounted to BHD 121,197 in H12025M. This was primarily driven by increase in scale of existing operations.
- Due to the presence of high fixed operating costs, the branch operated at negative EBITDA levels from 2023A to 2024A. However, both gross and EBITDA margins have enhanced in H12025M, showcasing the ability to improve cost management and profitability.

I. Hong Kong Gateway Restaurant W.L.L. (Standalone)

Amount in BHD	2023A	2024A	H12025M
Revenue	582,589	643,966	336,115
Cost of sales	(297,343)	(336,919)	(173,333)
Gross profit	285,246	307,046	162,782
EBITDA	55,881	56,934	36,783

Margins - %	2023A	2024A	H12025M
Gross margin	49%	48%	48%
EBITDA margin	8%	6%	11%

Key Analysis

- Hong Kong Gateway Restaurant W.L.L. (“Hong Kong Gateway”) offers a contemporary fast-casual dining experience centered around authentic Asian cuisine. Hong Kong Gateway owns 100% of Kumo Restaurant Services and Dim Sum. However, The historical analysis above excludes Kumo Restaurant and Dim Sum operations.
- With 5 operational branches, the net revenue increased by c.10.5% from BHD 582.6k in 2023A to BHD 643.9k in 2024A and BHD 336,115 in H12025M. This was primarily driven by increase in scale of existing operations.
- Gross margin remained consistently high with a slight dip from 49% in 2023A to 48% in 2024A, indicating stable cost efficiency across the periods, including H12025M.
- EBITDA margin declined from 8% in 2023A to 6% 2024A before strengthening to 11% in H12025M, suggesting improved cost control in H12025M.

m. Kumo Restaurants Services W.L.L (Cloud-Concept)

Amount in BHD	2023A	2024A	H12025M
Revenue	47,894	52,683	24,985
Cost of sales	(24,905)	(27,395)	(19,124)
Gross profit	22,989	25,288	5,861
EBITDA	22,989	25,288	5,861

Margins - %	2023A	2024A	H12025M
Gross margin	48%	48%	23%
EBITDA margin	48%	48%	23%

Key Analysis

- Kumo Restaurants Services W.L.L (“Kumo”), operating as a cloud kitchen concept, incurs minimal cost by leasing kitchen space from a host Hong Kong Gateway for preparing food for delivery and takeaway.
- The net revenue increased by c.10% from BHD 47.9k in 2023A to BHD 52.7k in 2024A and BHD 24,985 in H12025M. This was primarily driven by increase in scale of existing operations.
- EBITDA margin mirrors the gross margin pattern, declining from a consistently high 48% in 2023A to 23% in H12025M, indicating increased operational costs.

n. Dim Sum Co. W.L.L. (Cloud-Concept)

Amount in BHD	2023A	2024A	H12025M
Revenue	28,351	31,186	14,678
Cost of sales	(14,743)	(16,217)	(12,007)
Gross profit	13,608	14,969	2,672
EBITDA	13,608	14,969	2,672

Margins - %	2023A	2024A	H12025M
Gross margin	48%	48%	18%
EBITDA margin	48%	48%	18%

Key Analysis

- Dim Sum Co WLL (“Dim Sum”), operating as a cloud kitchen concept, incurs minimal cost by leasing kitchen space from a host Hong Kong Gateway for preparing food for delivery and takeaway.

- The net revenue increased by c.10% from BHD 28.3k in 2023A to BHD 31.2k in 2024A and BHD 14,678 in H12025M. This was primarily driven by increase in scale of existing operations.
- After two years of very strong and stable 48% gross margins, the decline to 18% in H12025M points to a significant deterioration in cost efficiency or pricing power within the period.
- EBITDA margin follows the same pattern, dropping from a consistently high 48% to 18%, indicating increased operating costs in H12025M.

o. Hidden Stations Co. W.L.L.

Amount in BHD	2023A	2024A	H12025M
Revenue	-	656,414	411,324
Cost of sales	-	(505,273)	(330,568)
Gross profit	-	151,141	80,757
EBITDA	(32,734)	84,953	35,774

Ratios in %	2023A	2024A	H12025M
Gross profit %	-	23%	20%
EBITDA %	-	13%	9%

Key Analysis

- Hidden Stations Co. W.L.L. (“Hidden Stations”) operates as a central kitchen and trading hub supporting the Truffle Group’s delivery-based food businesses.
- Established in March 2023, Hidden Stations started generating revenue from 2024A. The net revenue comprises revenue from trading income BHD 521K, centralized kitchen BHD 104.9k and rental income BHD 30.2K. Being in its initial years of operation, the business recorded significant growth in H12025M, with revenue reaching BHD 411k.
- Following a solid 23% gross margin in 2024A, the slight reduction to 20% in H12025M indicates moderate cost pressure, though profitability remains relatively resilient.

p. Tikka Gateway Management W.L.L. (Standalone)

Amount in BHD	Mar2023A	Mar2024A	Mar2025M	Jun2025M
Franchise income	-	-	3,638	5,001
Cost of sales	-	-	-	-
Gross profit	9,336	6,618	3,638	5,001
EBITDA	(15,139)	(4,725)	NA*	(241)

Margins - %	Mar2023A	Mar2024A	Mar2025M	Jun2025M
Gross margin	100%	100%	NA*	100%
EBITDA margin	-162%	-71%	NA*	-5%

Key Analysis

- Tikka Gateway is the Holding Company with investments in different entities through the brand “Tikka Kabab & Ameen”. There are no standalone operations under the holding company Tikka Gateway hence no revenue was recorded historically. Tikka Gateway Management owns 100% of Tikka Kabab & Ameen Bahrain, 58.8% of Tikka Kabab & Ameen Abu Dhabi and 49% of Tikka Kabab & Ameen Qatar.
- The historical analysis above excludes Tikka Kabab & Ameen Bahrain, Tikka Kabab & Ameen Abu Dhabi and Tikka Kabab & Ameen Qatar operations.
- EBITDA shows an improvement from -162% in Mar2023A to -71% in Mar2024A, and further to -5% in Jun2025M, suggesting progress in controlling operating expense.

q. Tikka Kabab & Ameen Partnership Model: Bahrain

Amount in BHD	2023A	2024A	H12025M
Revenue	74,236	72,111	57,208
Cost of sales	(43,599)	(35,346)	(24,308)
Gross profit	30,637	36,765	32,900
EBITDA	(30,481)	208	9,837

Margins - %	2023A	2024A	H12025M
Gross margin	41%	51%	58%
EBITDA margin	-41%	0%	17%

Key Analysis

- The revenue decreased from BHD 74.2k in 2023A to BHD 72.1k in 2024A primarily due to closure of low revenue generating branches.
- EBITDA margins improved from losses of –41% in 2023A to breakeven in 2024A, and subsequently reached 17% profitability in H12025M, indicating operational improvement.

r. Tikka Kabab & Ameen Partnership Model: UAE (Abu Dhabi)

Amount in AED	2023A	2024A	H12025M
Revenue	1,641,971	2,082,538	1,328,136
Cost of sales	(548,377)	(613,940)	(378,886)
Gross profit	1,093,594	1,468,598	949,250
EBITDA	208,980	401,832	343,244

Margins - %	2023A	2024A	H12025M
Gross margin	67%	71%	71%
EBITDA margin	13%	19%	26%

Key Analysis

- The revenue increased significantly by c.26.8% from AED 1.6Mn in 2023A to BHD 2.1k in 2024A primarily due to increase in scale of operations in 2024A.
- Gross margin improved from 67% in 2023A to 71% in 2024A and remained stable in the H12025M, indicating sustained cost efficiency across periods.
- EBITDA margin steadily improved from 13% in 2023A to 19% in 2024A and further to 26% in H12025M, reflecting improving operational efficiency and growing profitability.

s. Tikka Kabab & Ameen Partnership Model: Qatar

Amount in BHD	2024A	H12025M
Revenue	316,589	174,124
Cost of sales	(94,977)	(52,237)
Gross profit	221,612	121,887
EBITDA	47,488	26,119

Margins - %	2024A	H12025M
Gross margin	70%	70%
EBITDA margin	15%	15%

Key Analysis

- Revenue for H12025M improved from BHD 316,589 in 2024A to BHD 348,248 (annualized H12025M), reflecting improved performance in H12025M.
- The gross margin of 70% and EBITDA margin of 15% remained constant in 2024A as well as in H12025M.

t. Sole Corp W.L.L.

Key Analysis

- Sole Corp is a fully owned operations management and project management subsidiary of Truffle. Sole Corp provides its services to both third-party clients and group-related entities.
- From a financial perspective, draft financial statements for 2024 have been provided. These statements indicate that the company has been operating at an EBITDA loss since inception. Its ongoing operations have been supported through capital infusions from shareholders, underscoring its dependence on shareholder funding.
- However, management accounts as of 30th June 2025 have not been made available. As a result, it has not been possible to assess Sole Corp's most recent financial performance, including its profitability, asset base, liability structure, or overall net worth. This lack of up-to-date financial information limits the ability to form a comprehensive view of the company's current financial position and trajectory.
- Given the absence of up-to-date financial information and in light of the company's continued EBITDA losses since inception, no reliable basis exists to assess Sole Corp's current financial health or future earning potential.
- Accordingly, in line with prudent valuation practices, no enterprise value has been assigned to Sole Corp for the purpose of this exercise. However, based on information provided by Truffle's management, Sole Corp holds related party receivables amounting to BHD 147k as of 30 June 2025, which have been considered as the entity's equity value.

8. EVALUATION OF THE TERMS OF PROPOSED TRANSACTION AND WHITEWASH RESOLUTION

In assessing the financial terms of the Proposed Transaction, we have taken into account the following parameters in respect of BFLC and Truffle:

- A. Historical financial performance analysis;
- B. Market performance analysis of the share price of BFLC on Bahrain Bourse;
- C. Volume traded and liquidity of the shares of BFLC on Bahrain Bourse;
- D. Valuations of BFLC and Truffle carried out by applying the most appropriate valuation methodologies;
- E. Basis of consideration shares;
- F. Independent reports; including valuation reports, prepared by appointed advisors on the Proposed Transaction; and,
- G. Other relevant considerations which may have a significant bearing on our assessment of the Proposed Transaction and the Whitewash Resolution.

Our assessment is based on the assumption that BFLC and Truffle are going concerns. Consequently, we have not considered any liquidation values for either of them.

We have considered the following valuation approaches to arrive at the fair price for the ordinary shares of BFLC and Truffle and to assess the financial terms of the Proposed Transaction. We have considered the historical trends and future growth potential of both the Offeror and Offeree to come up with the fair values.

8.1 BFLC Valuation

The Discounted Cash Flows (“DCF”) valuation approach has been considered to arrive at a fair price for Ordinary Shares of BFLC to assess the financial terms of the Proposed Transaction:

DCF Valuation as at 30 th June 2025	Amounts in BHD
Enterprise Value	2,105,281
Add: Cash and Cash Equivalents	498,743
Add: Market Value of Cineco Shares Held by BFLC (5% of Cineco Market Cap)	826,235
Less: Debt and Debt Like Items (Lease Liabilities and EOSB)	(491,081)
Controllable and marketable equity value	2,939,177
Discount for Lack of Marketability @ 10%	(293,918)
Controllable and non-marketable equity value	2,645,260
Total Number of Shares (except Treasury shares)	36,000,000
Fair Value per Share	0.073
Quoted value of Share as of 30th June 2025	0.081

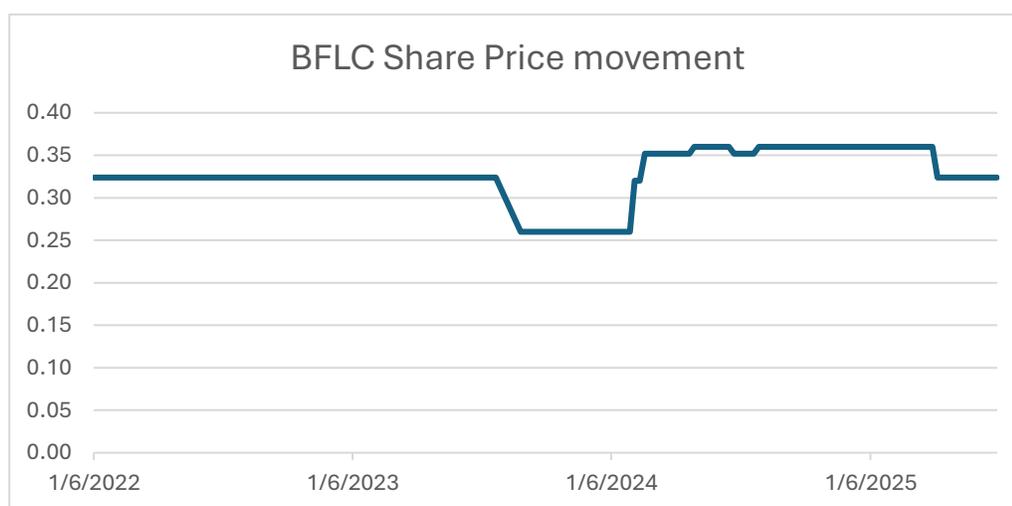
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- The DCF valuation approach is based on Free Cashflows to the Firm (“FCFF”) for the forecasted period FY25 (H2) to FY29 along with terminal value.
- The weighted average cost of capital (“WACC”) has been computed for the Company and used to discount the free cash flows to their present value. Also, a Discount for Lack of Marketability (“DLOM”) of 10% has been applied to reflect the limited liquidity.

8.2 Detailed computation for BFLC’s WACC

Particulars	BFLC	Source/ comments
Bahrain Risk Free Rate - 10 Year govt Bond, Rf	6.09%	Source: Bahrain Government International Bonds report
Unlevered Beta, $\beta(u)$	0.51	Source: Peer companies unlevered beta
Levered Beta, $\beta(l)$	0.75	
US Market Risk Premium ERP, (R_m)	4.60%	Source: Aswath Damodaran's forward looking ERP/ S&P 500
Country risk premium of Bahrain Spread Adjusted (Cr)	2.70%	Source: Aswath Damodaran
Market risk premium ($R_m + Cr$)	7.40%	
Alpha Factor	3.90%	
Cost of equity (Ke)	15.50%	Ke
Cost of Debt (Kd)	7.50%	Cost of debt in Bahrain
Debt to Equity (D/E)	48.50%	Source: Peer comps D/E
Weighted Average Cost of Capital	12.90%	
Long Term Growth Rate	1.70%	Source: US Department of Agriculture, ERS

8.3 Listed price and volume trend of BFLC



8.4 Truffle valuation

Particulars	BHD	Comments
Fair value of investments	4,961,309	Refer to Table 3
Add: Receivable from related parties	188,786	
Less: Debt and debt-like items	-	
Controllable, marketable equity value	5,150,095	
Less: Marketability discount @ 25%	(1,287,524)	
Controllable, non-marketable equity value	3,862,571	

Table 1

8.5 Basis of valuation methodologies for Truffle investments

Company Name	Method	Description
Rasmalai Restaurant W.L.L.		
Rasmalai Restaurant W.L.L.	Discounted Cash Flow (DCF)	DCF was applied due to the business's ability to project future cash flows and attain a stabilized level of earnings in the terminal period.
Bombay Bowl Restaurant Services S.P.C.		
Shawarma Hlayel W.L.L.	Discounted Cash Flow (DCF)	DCF was applied due to the business's ability to project future cash flows and attain a stabilized level of earnings in the terminal period.
Hong Kong Gateway Restaurant W.L.L.		
Hong Kong Gateway Restaurant W.L.L.	Discounted Cash Flow (DCF)	DCF was applied due to the business's ability to project future cash flows and attain a stabilized level of earnings in the terminal period.
Kumo Restaurants Services W.L.L.		
Dimsum & Co. W.L.L.		
Hidden Stations Co. W.L.L.	Discounted Cash Flow (DCF)	We have considered income from internal sources (related parties) as well as central kitchen rental income from external parties for the purpose of Valuation. DCF was applied due to the business's ability to project future cash flows and attain a stabilized level of earnings in the terminal period.
Bombo Shawarma W.L.L.		
Bombo Shawarma W.L.L.	Discounted Cash Flow (DCF)	Although the business demonstrated the ability to forecast future cash flows and achieve stabilized earnings in the terminal period, the entity's negative valuation has been excluded from the Sum-of-the-Parts (SOTP) valuation of Truffle due to its limited liability structure.
Don Rito's Restaurant Services S.P.C.		
Falafel Factory Restaurant Services W.L.L.		

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Company Name	Method	Description
Goodness Café W.L.L.	Discounted Cash Flow (DCF)	Mayfair Professionals W.L.L. owns 100% of the ownership of Goodness Café and DCF was applied due to the business's ability to project future cash flows and attain a stabilized level of earnings in the terminal period.
Tikka Gateway Management W.L.L.		
Tikka Gateway Management W.L.L.		Tikka Gateway includes Franchise income from franchise agreements in KSA and Khorfakkan UAE. DCF was applied due to the business's ability to project future cash flows and attain a stabilized level of earnings in the terminal period.
Tikka and Kabab Ameen – Bahrain		Bahrain Branch is 100% subsidiary of the Tikka Gateway and DCF was applied due to the business's ability to project future cash flows and attain a stabilized level of earnings in the terminal period.
Tikka and Kabab Ameen - Abu Dhabi	Discounted Cash Flow (DCF)	Tikka Gateway owns 58.8% of the shareholding in UAE (Abu Dhabi) Branch and DCF were applied due to the business's ability to project future cash flows and attain a stabilized level of earnings in the terminal period.
Tikka and Kabab Ameen – Qatar		From September 2025, Tikka Gateway owns 49% of the shareholding in Qatar Branch and DCF was applied due to the business's ability to project future cash flows and attain a stabilized level of earnings in the terminal period.
Manos Restaurant W.L.L.		
Manos Restaurant W.L.L.		Greek Gate Partners W.L.L. owns 49% of the shareholding in Manos Restaurant and DCF was applied due to the business's ability to project future cash flows and attain a stabilized level of earnings in the terminal period.
Zimari Bakery W.L.L.	Discounted Cash Flow (DCF)	Manos Restaurant W.L.L. owns 100% of the ownership as it is a branch of Manos Restaurant and DCF was applied due to the business's ability to project future cash flows and attain a stabilized level of earnings in the terminal period.
Ramenara W.L.L.		Manos Restaurant W.L.L. owns 49% of the ownership in Ramenara W.L.L. and DCF was applied due to the business's ability to project future cash flows and attain a stabilized level of earnings in the terminal period.
Mayfair Professionals W.L.L.	NA	Given the non-operational nature of the SPV, its exclusion from the transaction, and the unavailability of recent financial statements, no value has been assigned to Mayfair Professionals W.L.L. for the purpose of this valuation exercise.

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Company Name	Method	Description
Blink Café	NA	Blink Café, initially slated to re-open in FY24, has been delayed until at least FY26, creating significant uncertainty about its feasibility and timing. With no concrete progress or clear launch date, its future cash flow and performance cannot be reliably assessed, so it has not been assigned any value.
Sole Corp W.L.L.	NA	Sole Corp has no assigned enterprise value due to ongoing EBITDA losses and reliance on shareholder funding. However, its equity value is taken as BHD 147k, representing related party receivables as of 30 June 2025.

Table 2

8.6 Valuation summary of Truffle investments

Entity Name (Amount in BHD)	Enterprise value	Cash	Related party dues	Equity value (net)	Lack of Control discount	Non-marketable - equity value
Hong Kong Gateway Restaurant W.L.L.	1,182,568	24,809	58,393	1,265,770	-	1,265,770
Kumo Restaurants Services W.L.L.	159,548	-	-	159,548	-	159,548
Dimsum & Co. W.L.L.	95,202	-	-	95,202	-	95,202
Mayfair Professionals W.L.L.	-	-	(2,930)	(2,930)	-	-
Blink Café	-	-	-	-	-	-
Manos Restaurant W.L.L. (33.3%)	617,193	32,518	-	649,712	12.50%	568,498
Zimari Bakery W.L.L. (33.3%)	59,323	4,837	-	64,159	12.50%	56,139
Ramenara W.L.L. (16.32%)	85,670	7,443	-	93,114	12.50%	81,474
Goodness Café W.L.L.	199,285	4,485	(8,594)	195,176	-	195,176
Bombo Shawarma W.L.L.	(99,210)	11,170	(139,961)	(228,001)	-	-
Don Rito's Restaurant Services S.P.C.	10,190	-	-	10,190	-	-
Falafel Factory Restaurant Services W.L.L.	22,257	-	-	22,257	-	-
Shawarma Hlayel W.L.L.	200,974	4,597	(48,776)	156,795	-	156,795
Rasmalai Restaurant W.L.L.	743,384	11,170	18,300	772,854	-	772,854
Bombay Bowl Restaurant Services S.P.C.	83,181	-	-	83,181	-	83,181
Tikka Gateway Management W.L.L.	19,190	-	(10,941)	8,249	-	8,249
Tikka and Kabab Ameen - Bahrain	168,918	2,302	-	171,220	-	171,220
Tikka and Kabab Ameen - Abu Dhabi (58.8%)	451,590	45,331	-	496,921	-	496,921
Tikka and Kabab Ameen - Qatar (49%)	238,877	10,454	-	249,332	12.50%	218,165

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Entity Name (Amount in BHD)	Enterprise value	Cash	Related party dues	Equity value (net)	Lack of Control discount	Non-marketable - equity value
Hidden Stations Co. W.L.L.	496,338	1,057	(12,466)	484,930	-	484,930
Sole Corp W.L.L.	-	-	147,185	147,185	-	147,185
Total	4,734,480	160,174	210	4,894,864		4,961,309

Table 3

8.7 Limitations and disclaimers pertaining to Truffle

General Limitations

In case of absence of historical audited financial statements, we have relied on the historical Profit & Loss Statement provided by the Management. We have not been provided with the balance sheet and cash flow statements for such management accounts.

For all the individual entities, we have not been provided with the cut-off date (30 June 2025) Balance Sheet and Cash Flow Statement.

Since the balance sheet as of cut off date is not available:

- We have relied on Management confirmation that the working capital components are limited to inventories, receivables, and payables.
- The assumptions applied to estimate the working capital for 2025 have also been used to estimate working capital as of the cut-off date, 30 June 2025.
- We have relied upon Management's confirmation while preparing the bridge between Enterprise value and Equity value. Management provided the cash/cash-equivalent positions and related party receivable/payables (net) for respective entities as of the cut-off date. Management represented that there are no investments/debt and debt-like items.

The historical audited financial statements shared with us represent combined financials for parent restaurant and its cloud kitchens. Therefore, our analysis on cloud kitchens is based on management accounts.

We have relied on the Management inputs for the information on Related Party transactions for Truffle within the organization as well as outside the organization.

Entity-Wise Limitations

Company Name	Limitations and Disclaimer
Hong Kong Gateway Restaurant W.L.L., Kumo Restaurants Services W.L.L and Dimsum & Co. W.L.L.	The historical audited financial statements shared with us represent combined financials for Hong Kong Gateway and its two Cloud Kitchen Kumo Restaurants and Dim Sum Co. Management has only provided a bifurcated profit and loss statement for the three entities. Consequently, our analysis is based on Management accounts..
Hidden Stations Co. W.L.L.	We have not been provided the breakup of Cost of sales of the entities purchasing from the Hidden Stations; hence we have considered revenue in the books of Hidden Stations based on the Cost of sales % as of June 2025.

Company Name	Limitations and Disclaimer
<p>Tikka Gateway Management W.L.L., Tikka and Kabab Ameen – Bahrain, Tikka and Kabab Ameen - Abu Dhabi and Tikka and Kabab Ameen – Qatar</p>	<p>The auditors have issued a qualified opinion on The Tikka Gateway’s audited financial statements for FY2024 on the basis that the Company is still in the process of transfer of ownership of the subsidiaries and associate from the previous owner to the Company and not consolidated the result of operations, assets and liabilities of its subsidiaries as required by International Financial Reporting Standard (IFRS) 10 for Consolidation Financial Statements.</p> <p>The Tikka Gateway’s (Holding Company) Audited Financial Statements for FY2024 are not consolidated hence we have relied on the Standalone Management accounts (Income Statement) of Tikka Kabab and Ameen for Bahrain Branch, Abu Dhabi Branch and Qatar Branch provided to us by the Management.</p> <p>We have not been provided with the Master Service Agreement that mentions the Franchise rates hence we have relied on the information provided by the Management.</p> <p>As of the valuation date, cash and cash equivalents relate to individual branches in Bahrain, Abu Dhabi and Qatar and hence no cash/bank balance is maintained at the Holding level.</p>
<p>Manos Restaurant W.L.L.</p>	<p>The historical audited financial statements shared with us represent combined financials for both Manos and Zimari. Management has only provided a bifurcated profit and loss statement for the two entities. Consequently, our analysis is based on Management accounts.</p> <p>We have not been provided with the latest or historical financials for Greek Gate Partners.</p>
<p>Zimari Bakery W.L.L.</p>	<p>The historical audited financial statements shared with us represent combined financials for both Manos and Zimari. Management has only provided a bifurcated profit and loss statement for the two entities. Consequently, our analysis is based on Management accounts.</p> <p>We have not been provided with the latest or historical financials for Greek Gate Partners.</p>
<p>Ramenara W.L.L.</p>	<p>We have not been provided with the latest or historical financials for Greek Gate Partners.</p>

8.8 Share Swap calculation

Company Name	Controllable, marketable equity value (BHD)	Marketability discount (BHD)	100% Controllable, non-marketable equity value (BHD)	Share swap ratio
BFLC	2,939,177	293,918	2,645,260	41%
TRUFFLE	5,150,095	1,287,524	3,862,571	59%
Total	8,089,272	1,581,442	6,507,831	100%

The above table outlines the calculation of the share swap ratio, based on the 100% controllable, non-marketable equity values derived through the DCF approach:

- BFLC's equity value is estimated at BHD 2,645,260, considering a 10% illiquidity discount.
- Truffle's equity value is estimated at BHD 3,862,571 considering a 25% illiquidity discount.
- The combined equity value of both entities amounts to BHD 6,507,831.

Based on this, 41% of the combined equity value of proposed consolidated entity is attributed to BFLC existing shareholders and 59% to Dividend Gate Capital. These proportions have been derived by using the 100% controllable, non-marketable equity value of respective entity.

The Proposed Transaction, based on the agreed share swap ratio as set out in the definitive Share Purchase Agreement ("SPA") dated 8 February 2026, is expected to result in a favourable outcome for the existing shareholders of BFLC, who will collectively own approximately 42% of the enlarged share capital of the combined entity upon completion of the Proposed Transaction.

8.8.1. Shares held by respective shareholders before and after share swap

Shareholders	Before Transaction (No. of Shares)	Before Transaction (%)	After Transaction (No. of Shares)	After Transaction (%)
Dividend Gate Capital W.L.L.	0	0.00%	13,809,524	58.00%
Gulf Hotels Group B.S.C.	2,525,000	25.25%	2,525,000	10.60%
Other Public Shareholders	6,474,958	64.75%	6,474,958	27.19%
Treasury Shares	1,000,042	10.00%	1,000,042	4.20%
Total	10,000,000	100.00%	23,809,524	100.00%

8.9 Other relevant considerations which may have a significant bearing on our assessment of the Proposed Transaction and the Whitewash Resolution

8.9.1 Whitewash resolution as a condition precedent to the Proposed Transaction: The Proposed Transaction is conditional upon the Independent Shareholders approving the Whitewash Resolution at the EGM. If the Independent Shareholders do not pass the Whitewash Resolution, the Proposed Transaction will not proceed.

8.9.2 Waiver of rights to receive a Mandatory Offer: Independent Shareholders should note that by voting in favor of the Whitewash Resolution, they will be waving their rights to receive Mandatory Offer for their Shares in the Company from Truffle in accordance with TMA-3.1.

8.9.3 Conditions Precedent: Proposed Transaction is subject to certain conditions as set out in paragraph 3.5 of section IV of the Circular

8.10 Our Opinion

Based on the analysis presented in this report and our careful consideration of the terms and conditions of the Proposed Transaction, it is our opinion that the resulting ownership structure, pursuant to which the existing shareholders of BFLC will hold 42% of the equity in the enlarged share capital of BFLC and DGC, in exchange for its contribution of 100% of the share capital of Truffle, will hold the remaining 58%, is fair and reasonable from a financial point of view, and within the context of the Proposed Transaction.

Accordingly, we recommend that the Independent Shareholders vote IN FAVOUR of the Whitewash Resolution at the EGM, which relates to the waiver of their right to receive a mandatory tender offer from DGC, and any parties acting in concert with it, arising as a result of the Proposed Transaction.

This opinion is intended solely for the benefit of the Independent Shareholders of the Company and its Board of Directors in assessing the financial terms of the Proposed Transaction. It is not to be used or relied upon for any other purpose, nor may it be shared with any third party without the prior written consent of Moore JFC. This opinion does not constitute, nor should it be considered, a recommendation to any Shareholder regarding how to manage their shares in connection with the Proposed Transaction or any related matters. The responsibility for any such recommendations lies exclusively with the Company's Board.

This opinion is governed by, and interpreted in accordance with, the laws of the applicable jurisdiction and is strictly limited to the matters set forth herein. It shall not apply, either expressly or by implication, to any other matters.

Yours sincerely
For and on behalf of
Moore JFC



Mago JB Singh
Founder – Principal & Group
Managing Partner

VI. RISK FACTORS

Shareholders should carefully consider the following risk factors associated with the Proposed Transaction in addition to the other information contained in this Circular. The following is not an exhaustive list of all risks and uncertainties, and other risks not presently known to the Company or that the Company currently deems immaterial may also adversely affect the business, financial condition, and results of operations of the Company post-transaction.

6.1 Risks Relating to the Proposed Transaction

Non-Completion Risk

The completion of the Proposed Transaction is subject to a number of Conditions Precedent. There is no assurance that all Conditions Precedent will be satisfied or waived. If the Proposed Transaction is not completed, the Company will have incurred significant advisory and transaction costs without realising any of the anticipated benefits.

Business Continuity Risk

Should the Proposed Transaction not be completed for any reason, the Board cannot provide assurance regarding the Company's ability to continue as a going concern. The Company is currently facing significant financial and operational challenges, including constrained liquidity, deteriorating margins, and limited access to additional funding. In the absence of the Proposed Transaction, the Company may be unable to implement a viable alternative strategy in a timely manner, which could result in a further deterioration of its financial position. This, in turn, may lead to increased creditor pressure, inability to meet ongoing obligations, regulatory non-compliance, and ultimately, the risk of insolvency or forced restructuring. Shareholders should therefore be aware that the failure to complete the Proposed Transaction may materially and adversely affect the Company's prospects, operations, and value.

Failure to Realise Synergies

The anticipated benefits and synergies of the Proposed Transaction are based on forward-looking projections and assumptions which may not materialize as expected, or at all. There is a risk that the integration of the Truffle Group with the Company's existing operations may prove to be more complex, costly, or time-consuming than anticipated. Challenges may include aligning operational processes, consolidating management structures, integrating IT systems, and reconciling differing corporate cultures. These integration efforts may strain existing resources and divert management's attention from the Company's ongoing operations. Any delay or failure in achieving the projected synergies could adversely affect the anticipated financial and strategic benefits of the Proposed Transaction, and may result in increased costs, operational disruptions, or reduced shareholder value.

Share Price Volatility

The announcement and completion of the Proposed Transaction may lead to volatility in the market price of the Company's shares. The value of the Consideration Shares may fluctuate, and the market price of the Company's shares following Completion may differ materially from the price at the time of announcement.

6.2 Risks Relating to the Offeror's Control Post-Transaction

Change of Control

Upon Completion, the Offeror and parties acting in concert with it will become the controlling shareholders of the Company, holding approximately 58.0 per cent of the voting rights. This will grant the Offeror significant influence over the Company's operations and strategic direction, including the ability to appoint or remove a majority of the directors.

Enforcement of Contractual Protections

The SPA contains representations, warranties, and indemnities from the Offeror in favour of the Company. However, following Completion, the Offeror will exercise control over the Company. This may create practical difficulties for the Company to enforce its contractual rights or bring a claim against its own controlling shareholder in the event of a breach of the agreement. The influence of the Offeror over the Company's new Board and management could impede the Company's ability to pursue remedies that are in the best interests of all shareholders.

6.3 Risks Relating to the Company and the Contributed Assets

Due Diligence and Information Risks

The Offeror and the Truffle Group are not listed entities and are therefore not subject to the stringent regulatory and disclosure requirements applicable to public listed companies. The Company has conducted legal and financial due diligence on the Truffle Group; however, this process was reliant on information provided by the Offeror with limited scope for independent verification. There can be no assurance that all material issues, liabilities, or non-compliances have been detected. The due diligence process identified a number of issues, and while the Company has sought rectification of those deemed most material, a majority of these issues remain unresolved and could have an adverse bearing on the future conduct and performance of the Truffle Group.

Governance and Control Frameworks

The Truffle Group does not currently operate with a robust internal controls framework or a sophisticated governance system comparable to that of a publicly listed company. The process of adapting the contributed group to listed-company standards may require significant time and resources.

Legacy Issues of the Truffle Group

The Truffle Group was assembled by the Offeror for the purposes of this Proposed Transaction and has not grown organically as a single consolidated enterprise. As a result, certain entities within the group may carry legacy issues from their prior operations which will need to be addressed post-Completion. The due diligence reports received by the Company have provided evidence of such matters, which include weak legal protections for certain investments made overseas that are based on fragile contractual frameworks. The Company has been informed that the Truffle Group is in the process of cleaning up these issues, and this process is likely to continue after the Completion of the Proposed Transaction. However, there can be no guarantee that this rectification process will be successfully completed or that all historical issues have been identified. Any failure to resolve these legacy matters, or the emergence of previously unidentified issues, could result in unforeseen costs, legal disputes, or financial liabilities that may come back to prejudice Shareholders by adversely affecting the Company's financial condition and performance.

Integration Risks

The success of the Proposed Transaction will depend on the effective and efficient integration of the Truffle Group's business and assets. This integration presents significant challenges and risks. Truffle Group has historically been managed as a private entity with a highly informal management style, where the lines between ownership and management were often blurred and financial records, such as the tracking of equity contributions, may not have been maintained with the rigor required of a public company. The process of aligning its operational procedures, internal controls, and corporate culture with those of a listed entity will be complex and resource-intensive. The direct and indirect costs of this integration (including system upgrades, professional advisory fees, and the potential need for additional management personnel) could place a significant strain on the Company's cash flow and working capital. Should these costs exceed projections or should the integration process disrupt the ongoing operations of either the Company or the acquired business, it could materially and adversely affect the Company's financial stability. Furthermore, if the integration proves more challenging or costly than anticipated, or if the performance of the acquired assets does not meet expectations, the Company may need to seek additional capital in the future. Any such future capital injections could result in the issuance of new shares and lead to the dilution of the shareholdings of existing Shareholders.

Unforeseen Liabilities

The Company may be exposed to unforeseen liabilities of the Truffle Group that were not identified during the due diligence process. While the SPA contains representations and warranties from the Offeror, the recourse available may be limited in practice.

Dependence on Key Assets and Contracts

The future revenue and profitability of the Company may be dependent on the performance of the Truffle Group and the continuation of the Target's material contracts. Any adverse change in the condition of these assets or termination of key contracts could have a material adverse effect.

Reliance on Unaudited, Non-IFRS Locked Box Accounts for Determination of Consideration

The consideration for the Proposed Transaction has been determined on a locked-box basis by reference to the management accounts of the Target as at 30 June 2025 (the "Locked Box Accounts"). The Locked Box Accounts are unaudited management accounts prepared by the Seller and have not been independently verified by any statutory auditor or reporting accountant.

Critically, the Locked Box Accounts are not prepared in full compliance with International Financial Reporting Standards ("IFRS"). As disclosed in Schedule 2 of the Addendum (IFRS Deviations), the Locked Box Accounts have been adjusted to reflect the implementation of certain Remedial Actions (including the extinguishment of intercompany debt and the capitalisation of loans) as if those events had occurred on the Locked Box Date of 30 June 2025, when in fact they occurred after that date. This constitutes a departure from IAS 10 (Events after the Reporting Period), which prohibits the adjustment of financial statements for non-adjusting events occurring after the reporting period. The Seller has acknowledged that, to this extent, the Locked Box Accounts are not prepared in full compliance with IFRS.

This departure was driven by practical necessity. The perimeter of the Truffle Group was in active formation at the time, individual entities were being consolidated under Truffle Hospitality Holding W.L.L. in anticipation of the Proposed Transaction, following a period during which constituent businesses operated under separate ownership and management structures. In these circumstances, the Offeror was unable to procure fully IFRS-compliant audited consolidated accounts of the Target Group as at the Locked Box Date on a basis that would reflect the actual composition of the group being contributed to the Company. The pro forma adjustments were accordingly applied to present the financial position of the Target on a basis that reflects its intended perimeter and capital structure at Completion, rather than a strict historical IFRS snapshot that would not correspond to the economic reality of what is being acquired.

Shareholders should be aware that this gives rise to a significant risk. The aggregate equity valuation of the Target (BHD 3,713,125), and consequently the exchange ratio determining the number of Consideration Shares (13,809,524 Ordinary Shares), has been derived from financial information that includes pro forma adjustments for events that had not yet occurred at the reference date and which has not been subject to independent audit. There is a risk that the Locked Box Accounts contain errors, misstatements, or omissions, including errors arising from the implementation of the Remedial Actions, that may not be identified until after Completion, at which point the Consideration Shares will have been irrevocably issued and allotted.

The SPA contains contractual protections that partially mitigate this risk. Clause 3.4 of the Addendum grants the Purchaser the right to conduct a Post-Completion Financial Audit within one year of the Completion Date. Any discrepancy between the Locked Box Accounts and the Target's verified financial position, calculated in accordance with IFRS and subject to Schedule 2, will trigger a claim under the Special Indemnity for Accounts Errors set out in Clause 9.2 of the Addendum. This indemnity is unlimited in amount, is not subject to any de minimis threshold, basket, cap, or limitation of liability, and survives indefinitely. It covers any loss, cost, expense, or liability (including reasonable adviser fees) suffered or incurred by the Purchaser, the Target, or any Group Company arising from an Accounts Error.

The Board has accepted this risk on the basis that the closing of the Proposed Transaction has been deemed of utmost importance given the Company's problematic financial situation, and Material Uncertainty Relating to Going Concern warnings issued by the Company's auditors for both FY2023 and FY2024. In the Board's judgment, the strategic imperative of completing the Proposed Transaction and securing the Company's operational viability outweighs the residual risk of relying on unaudited pro forma locked box accounts, particularly in light of the robust contractual protections described above. This is, however, a risk that the Independent Shareholders are assuming knowingly and should weigh carefully in deciding how to vote on the Whitewash Resolution.

6.4 Risks Relating to the Industry and Region

Geopolitical and Economic Risks

The Company and the Truffle Group operate primarily in the Middle East, a region subject to elevated geopolitical and macroeconomic risks. Political instability, civil unrest, armed conflict, and cross-border tensions may disrupt supply chains, constrain access to key markets, suppress consumer confidence, and create operational uncertainty. The region's economic performance is closely linked to global energy markets; as such, fluctuations in oil prices can significantly influence government spending, private consumption, and overall economic growth. In addition, conducting business in emerging market jurisdictions involves exposure to evolving legal, regulatory, and institutional frameworks, which may be inconsistently applied or subject to sudden change, thereby increasing compliance costs and regulatory uncertainty.

Competition in the Food and Beverage Sector

The F&B sector in the Kingdom of Bahrain is highly competitive, with numerous local, regional, and international players actively vying for market share. This intense competition may limit the Company's ability to increase prices, expand market share, or maintain existing customer relationships. In order to remain competitive, the Company and the Truffle Group may need to make sustained investments in product innovation, customer engagement, branding, marketing, and operational efficiencies. Failure to do so could adversely affect profitability and growth prospects.

Inflation and Cost Pressures

The industry is vulnerable to increases in input costs, including raw materials, packaging, energy, and labour. Any sustained inflationary pressure or supply-side disruption could materially impact gross margins. The Company's ability to pass on such costs to consumers may be limited by competitive dynamics and consumer price sensitivity.

Regulatory and Compliance Risks

The F&B sector is subject to strict regulatory oversight, including food safety, health standards, labeling requirements, and import/export controls. Non-compliance with applicable laws or changes in regulatory regimes, such as new taxes, subsidies, or environmental requirements, could lead to fines, reputational damage, product recalls, or business interruptions.

Currency and Exchange Rate Risk

As the Company and the Truffle Group may engage in cross-border transactions or import key inputs, they may be exposed to exchange rate fluctuations, particularly if cost bases are denominated in foreign currencies. Volatility in foreign exchange markets could impact pricing, profitability, and cash flow management.

Talent and Workforce Availability

The Company's ability to maintain and grow its business depends on attracting and retaining skilled personnel, including management, operations, and technical staff. Labor shortages, high turnover, or rising wage costs in the region may impact operational stability and increase human resource costs.

Technology and Digitalisation Risk

As consumer preferences evolve and digital platforms become more central to food delivery and retail, failure to adapt to new technologies or invest in digital infrastructure may result in lost market opportunities and diminished competitiveness.

APPENDIX I — INFORMATION ON THE COMPANY

1. Business Overview

Bahrain Family Leisure Company B.S.C. (BFLC) is a Bahraini public shareholding company that was incorporated in the Kingdom of Bahrain on 13 July 1994. The Company is listed on the Bahrain Bourse under the ticker symbol FAMILY and operates within the consumer discretionary sector.

The principal activities of the Company include the operation of restaurants, the provision of services related to family entertainment, the supply of amusement-related equipment, and strategic investment in businesses with similar objectives. BFLC's core business is focused on the food and beverage (F&B) industry, where it manages a portfolio of both internationally recognised franchises and its own homegrown brands.

Key operations and brands include:

- (a) Bennigan's: An American casual dining franchise.
- (b) Cucina Italiana: A proprietary restaurant concept focusing on Italian cuisine, established by the Company in 2012.
- (c) Kazbah Catering: A catering service providing contract catering to businesses, government facilities, and private events.

The Company's market position has been characterised by significant financial challenges. As of the fiscal year ended 31 December 2024, the Company's accumulated losses reached BHD 3,360,481. This financial performance led the Company's independent auditors to issue a "Material uncertainty relating to going concern" warning in the audited financial statements for both the 2023 and 2024 fiscal years.

2. Major Shareholders

The following table sets out the major shareholders of the Company as at the Latest Practicable Date:

Name of Shareholder	Nationality	No. of Shares	% Holding
Gulf Hotels Group B.S.C.	Bahrain	2,525,000	25.25%
Other Public Shareholders	Various	6,474,958	64.75%
Treasury Shares	Bahrain	1,000,042	10.00%
Total		10,000,000	100.00%

3. Share Capital Details

As at the Latest Practicable Date:

- (a) Authorised Share Capital: BHD 10,000,000.
- (b) Issued and Paid-up Share Capital: BHD 1,000,000 comprising 10,000,000 Ordinary Shares of BHD 0.100 each.

There are no outstanding instruments convertible into, rights to subscribe for, and options in respect of securities offered for or which carry voting rights affecting the Company's shares.

As at the Latest Practicable Date, the Company owns 1,000,042 treasury shares.

4. Summary of Audited Financial Information

BFLC's audited financial statements for the fiscal years ended 31 December 2023 and 31 December 2024 show a company facing significant financial distress, characterised by persistent net losses, a severely eroded capital base, and critical warnings from its independent auditors.

The following table provides a comparative view of key financial metrics from the Company's income statement and balance sheet, illustrating its financial position over the last two fiscal years. All figures are in Bahraini Dinars (BHD).

Key Financial Metric	FY Ended 31 Dec 2024	FY Ended 31 Dec 2023
Income Statement		
Operating Income	BHD 1,357,980	BHD 1,182,716
Net Loss for the Year	BHD (270,602)	BHD (378,766)
Basic & Diluted Loss Per Share	Fils (7.52)	Fils (10.52)
Balance Sheet		
Total Assets	BHD 1,931,417	BHD 2,070,749
Total Equity	BHD 1,102,691	BHD 1,373,293
Share Capital	BHD 4,000,000	BHD 4,000,000
Accumulated Losses	BHD (3,360,481)	BHD (3,089,879)

The Company's income statements from the past two fiscal years show a consistent inability to achieve profitability, with costs and expenses significantly outweighing operating income.

For the year ended 31 December 2023, BFLC reported an operating income of BHD 1,182,716. However, after accounting for operating costs, administrative expenses, and substantial net losses on investments of BHD 329,696, the Company recorded a comprehensive net loss of BHD 378,766. This resulted in a loss per share of Fils (10.52).

For the year ended 31 December 2024, the trend of unprofitability continued, with the Company reporting a net loss of BHD 270,602. While this represents a reduction from the prior year's loss, it marks another period of significant value erosion for shareholders.

The recurring losses have had a severe cumulative impact on BFLC's balance sheet, most critically on its equity position. Accumulated Losses: As of 31 December 2023, the Company's accumulated losses stood at BHD 3,089,879. This figure grew to BHD 3,360,481 by the end of the 2024 fiscal year. These substantial accumulated losses have wiped out a majority of the Company's issued and paid-up share capital of BHD 4,000,000. As of 31 December 2023, total equity was only BHD 1,373,293, propped up by statutory and capital reserves. The Company's total assets were reported at BHD 1,931,417 as of year-end 2024.

The most significant highlight from the financial reports is the opinion issued by the independent auditors, BDO. For both the 2023 and 2024 fiscal years, the auditors' report included a section titled "Material uncertainty relating to going concern". This is a critical warning that signifies the auditors' professional judgment that there is significant doubt about the Company's ability to continue its operations for the foreseeable future. The auditors explicitly link this uncertainty to the significant net losses and the severe erosion of the Company's capital base from aggregated losses.

These losses were partially offset by the capital reduction registered in October 2025. In particular, the Company reduced its issued and paid-up capital from BHD 4,000,000 to BHD 1,000,000, reduced the statutory reserve by BHD 596,195, and reduced the capital reserve by BHD 51,184, in order to offset accumulated losses amounting to BHD 3,347,379 and to adjust the value of the treasury shares held by the Company in the amount of BHD 300,000. The Company also reduced the authorised share capital from BHD 20,000,000 to BHD 10,000,000.

The full audited accounts for both the 2023 and 2024 fiscal years are included in Appendix V.

5. Governance

BFLC operates in accordance with the Bahrain Commercial Companies Law and other relevant statutes of the Kingdom of Bahrain. The company's governance framework is designed to comply with the Corporate Governance Code of the Ministry of Industry and Commerce (MOIC) and the rules of the Central Bank of Bahrain.

The Board of Directors is responsible for the company's strategic direction, management oversight, financial matters, and communication with stakeholders. The board is composed of independent and non-executive directors. As of the 2024 financial year, the board's oversight is structured through several key committees:

- Executive Committee: Chaired by Mr. Ahmed Janahi.
- Audit Committee: Chaired by Mr. Sharif Ahmadi.
- Nomination, Remuneration & Corporate Governance Committee: Chaired by the Chairman of the Board, Mr. Abdullateef Al Aujan.

Director remuneration consists of allowances for attending board and committee meetings, which totaled BHD 39,250 for the 2024 fiscal year. In line with the company's financial performance, the remuneration policy for executive management for the year ended 31 December 2024, included total salaries and allowances of BHD 69,501 for the top six executives, with no bonuses or other in-kind remuneration paid.

The following are members of the Board of Directors.

Mr. Abdul Latif Khalid Al Aujan (Chairman)

Mr. Al Aujan is an independent non-executive director, and serves as Chairman of the Board. He is the founder and Chairman of A. Lateef Khalid Al Aujan & Sons Group, established in 1972, with diversified interests in food distribution, personal care, fashion, and real estate. With over five decades of leadership and board experience, he brings deep strategic insight and governance expertise. He also chairs the Nomination, Remuneration and Corporate Governance Committee.

Mr. Ahmed Mohammed Janahi (Vice Chairman)

Mr. Janahi is non-executive director and the Group Chief Executive Officer of Gulf Hotels Group. He has over 25 years of professional experience in investment management, strategic and financial planning, mergers and acquisitions, and asset management. He previously held senior leadership roles at Bahrain Mumtalakat Holding Company, the sovereign wealth fund of Bahrain. At BFLC, he serves as Vice-Chairman of the Board and Chairman of the Executive Committee and is a member of the Nomination, Remuneration and Corporate Governance Committee.

Mr. Bashar Mohammed Ali Alhasan (Director)

Mr. Alhasan has over 46 years of experience in executive management and board roles, including serving as Executive Chairman of Bahrain Gas WLL and as a member of the Board of BFLC. He is an independent non-executive director on the Board. Mr. Alhasan is a member of the Audit Committee and is also a member of the Nomination, Remuneration and Corporate Governance Committee.

Mr. Sharif Mohammed Ahmadi (Director)

Mr. Ahmadi has over 46 years of experience in executive leadership and directorship roles, including serving as CEO of Bahrain Waste Treatment Company WLL and Dar Al Khaleej Trading & Contracting WLL. He is an independent non-executive director on the Board. Mr. Ahmadi is the Chairman of the Audit Committee and a member of the Nomination, Remuneration and Corporate Governance Committee.

Mr. Mohamed Algharbi (Director)

Mr. Algharbi is a non-executive director representing Gulf Hotels Group and serves as the Group's Chief Financial Officer. He brings over 13 years of experience in financial management and auditing, and is a Fellow Member of the Association of Chartered Certified Accountants (ACCA). His previous

roles include positions at Morgan Stanley and KPMG. At BFLC, he is a member of the Audit Committee.

Ms. Reem Alrayes (Director)

Ms. Alrayes is a non-executive director representing Gulf Hotels Group where she acts as the Legal Counsel, Compliance & Board Secretary. She holds a Bachelor of Laws from the London School of Economics and has approximately 15 years of experience as a licensed attorney in Bahrain, , including extensive work in corporate governance, regulatory compliance, and commercial advisory. She is a member of BFLC's Executive Committee and the Nomination, Remuneration and Corporate Governance Committee.

Mr. Farooq Alkhaja (Director)

Mr. AlKhaja has held roles with Wayfair in Boston, the National Bank of Bahrain and Almoayed Marine Services WLL. He is an independent non-executive director on the Board and brings international and local business development and financial experience. Mr. AlKhaja is a member of BFLC's Executive Committee and the Nomination, Remuneration and Corporate Governance Committee.

The Directors own the following interests in the Company as at the Latest Practicable Date:

Name of Director	Interest
Abdul Latif Khalid Al Aujan	Holds 25,000 shares directly
Ahmed Mohammed Janahi	NIL
Sharif Mohammed Ahmadi	Holds 3,750 shares in BFLC
Bashar Mohammed Ali Alhasan	Holds 25,000 shares in BFLC
Mohamed Algharbi	NIL
Reem Alrayes	NIL
Farooq Alkhaja	NIL

None of the Directors has dealt for value in any interests in the Company during the six-month period prior to the Latest Practicable Date. None of the Directors has any interest, direct or indirect, in the Truffle Group or in the Offeror. No Director or member of senior management will receive any transaction bonus, success fee, or contingent compensation in connection with Completion.

6. Other Disclosures

As at the Latest Practicable Date, the Company does not hold any shares in the Truffle Group that carry voting rights, nor has it dealt for value in any shares of the Truffle Group during the six-month period preceding the Latest Practicable Date.

The Professional Independent Adviser does not hold any interest in the Company as at the Latest Practicable Date and has not dealt for value in the shares of the Offeror, the Truffle Group, or the Company during the six months prior to the Latest Practicable Date. The Professional Independent Adviser has been appointed on a fixed-fee basis. Its fee is not contingent on the outcome of the Proposed Transaction.

To the best of the Company's knowledge and belief, there are no circumstances that would disqualify the PIA from acting as an independent adviser and issuing the report required under Module TMA of Volume 6 of the CBB Rulebook.

APPENDIX II — INFORMATION ON THE TRUFFLE GROUP

1. Business Overview

Truffle Hospitality Holding W.L.L. is a Bahrain-based holding company wholly owned by Dividend Gate Capital (DGC), a private equity firm focused on small and medium-sized enterprises (SMEs) across the GCC and Europe. The entity invests in and manages a diversified portfolio of food and beverage (F&B) businesses operating across multiple segments, including restaurants, cafés, cloud kitchens, food manufacturing, distribution operations, centralised kitchen facilities, and catering services.

Truffle's mission is to build and manage a scalable and diversified F&B platform that combines operational efficiency with culinary innovation. Its brand portfolio spans fast-casual concepts, delivery-only cloud kitchen brands, fine dining, and neighbourhood cafés. To support its operations, Truffle has developed a robust shared services and production infrastructure designed to drive cost efficiency, quality control, and agility.

Truffle's portfolio includes brands such as Hlayel, Goodness, Manos the Family Bistro, Zimari by Manos, Bombay Bowl, Dumpling & Co, Blink, Tikka2Go, Café Mayfair, Kumo Asian Chicken, Tikka & Kabab Ameen, Hong Kong Gateway Restaurant, Rasmalai Balti Cuisine, Bombo Shawarma, and Hidden Stations.

A cornerstone of this infrastructure is Hidden Stations, a centralised kitchen platform. Hidden Stations plays a critical role in supporting the production and distribution needs of Truffle Group's various brands. In an industry characterised by tight margins, the presence of a centralised kitchen provides significant operational advantages including improved cost control, menu standardisation, quality assurance, and logistical efficiency. It also enables scale and flexibility across multiple food concepts while minimising redundant capital expenditure and labour costs at the outlet level.

Complementing this is Sole Corp, a centralised operational services company that provides a suite of shared corporate functions across Truffle Group. Sole Corp is responsible for marketing, human resources, accounting, procurement and inventory management, operations oversight, and strategic planning. It operates on a capital-light model, self-funded through working capital, and plays a critical role in reducing the administrative burden on individual entities, enabling them to focus on execution and customer engagement. Sole Corp also has the potential to provide its services to third-party SMEs within Bahrain's F&B ecosystem.

Truffle Hospitality Holding currently operates primarily within the Kingdom of Bahrain, where it has established a strong market presence. However, Truffle is actively pursuing international expansion of its homegrown brands, including Tikka & Kabab Ameen, a Bahraini-origin concept with growing appeal in regional and international markets. These brands are being expanded through franchise agreements, positioning Truffle to tap into new revenue streams while leveraging its centralised infrastructure and operational expertise. The success and replicability of concepts like Tikka & Kabab Ameen underscore Truffle's ability to develop scalable brands with significant potential beyond the domestic market.

Truffle businesses operate from strategically selected locations, which are predominantly held under lease arrangements, allowing for flexible expansion and capital efficiency. One notable example is Manos Restaurant W.L.L., in which Truffle Group indirectly holds an approximate 33% equity interest. Manos operates from the Bahrain Rugby Football Club, a highly visible and prestigious venue that has contributed to the restaurant becoming a well-established dining destination and a recognised staple of the local F&B landscape.

Importantly, individual entities have been recently consolidated under the ownership of Truffle Hospitality Holding W.L.L., in anticipation of its proposed combination with Bahrain Family Leisure Company B.S.C. Prior to this consolidation, the constituent businesses operated under separate ownership and management structures. The fully consolidated operating history, and certain historical financial and operational data, may not be available on a unified or comparable basis.

Truffle is funded entirely by its shareholders, without reliance on third-party or institutional debt. Its operations are internally capitalised, reflecting a prudent and sustainable financial approach. While Truffle maintains a few marginal short-term cash facilities for treasury management purposes, these are limited in size and not structurally relied upon for growth or operations. This conservative funding structure provides Truffle with financial flexibility and insulation from external credit market volatility.

Truffle Hospitality Holding W.L.L. owns directly or indirectly shares in the following companies, including Blink Café trademark under Mayfair Professionals (Certificate No. 130360):

Company	Commercial Registration No.	Shareholding	% Holding	Business Sector
Bombo Shawarma WLL	124899-1, 124899-2, 124899-4, 124899-6	1 share of BHD 50 par value	100%	Fast Casual
Don Ritos Restaurant Services SPC	124899-3	1 share of BHD 50 par value	100%	Cloud kitchen
Falafel Factory Restaurant Services WLL	124899-8	1 share of BHD 50 par value	100%	Cloud kitchen
Rasmalai Restaurant WLL	125868-1, 125868-3, 125868-4	1 share of BHD 50.000 par value	100%	Fine Dining
Bombay Bowl Restaurant Services SPC	125868-2, 125868-5, 125868-6	1 share of BHD 50 par value	100%	Cloud Kitchen
Mayfair Professionals WLL	133683-1	700 shares of BHD 1 par value	100%	Café
Goodness Café WLL	160780-1	100 shares of BHD 10 par value	100% (indirectly via Mayfair Professional WLL)	Café
Hidden Stations Co WLL	162798-1 162978-2	1 share of BHD 50 par value	100%	Centralised Kitchen and Cloud Kitchen
Greek Gate Partners WLL	141673-1	350,000 shares of BHD 1 par value	100%	Holding Company
Manos Restaurant WLL	80730-1	600 shares of BHD 100 par value	33.333% (indirectly via Greek Gate Partners WLL)	Fine Dining
Zimari Bakery WLL	80730-2	600 shares of BHD 100 par value	33.333% (indirectly via Greek Gate Partners WLL)	Café
Hong Kong Gateway Restaurant WLL	141806-1, 141806-3, 141806-4, 141806-5, 141806-6	1 share of BHD 50 par value	100%	Fast Casual
Kumo Restaurant Services WLL	141806-2, 141806-12, 141806-13, 141806-14, 141806-15	1 share of BHD 50 par value	100%	Cloud Kitchen

Dim Sum Co W.L.L.	141806-7, 141806-8, 141806-9, 141806-10, 141806-11	1 share of BHD 50 par value	100%	Cloud Kitchen
Sole Corp WLL	160655-1, 160655-2	1 share of BHD 50 par value	100%	Consulting
Hidden Stations Co WLL	162978-1, 162978-2	1 share of BHD 50 par value	100%	Trading
Shawarma Hlayel W.L.L.	169781-1	1 share of BHD 50 par value	100%	Fast Casual
Tikka Gateway Management WLL	126464-1	100 shares of BHD 50 par value	100%	Management Offices/Fast Casual
Ramenara	158484-1	10,000 shares of BHD 1 par value	49% (indirectly via Manos restaurant)	Fine Dining

2. Sole Shareholder

Dividend Gate Capital W.L.L. owns 100% of Truffle Hospitality Holding W.L.L.

3. Share Capital Details

As at the Latest Practicable Date, the share capital of Truffle Hospitality Holding W.L.L. is as follows:

Authorised Share Capital: BHD 1,000.

Issued and Paid-up Share Capital: BHD 1,000 comprising 1,000 Ordinary Shares of BHD 1.000 each.

4. Disclosures

Truffle Hospitality Holding W.L.L. as at the Latest Practicable Date owns no shares in the Company.

5. Summary of Financial Information

Please refer to Section 7 of the Professional Independent Adviser's Report issued by Moore JFC Consulting W.L.L., as further detailed in Section V of this Circular.

6. Directors

Name of Director	Title
Khaled Al Hammadi	Director
Mohamed Nedham Khonji	Director

APPENDIX III — NOTICE OF EXTRAORDINARY GENERAL MEETING

BAHRAIN FAMILY LEISURE COMPANY B.S.C.

(A Bahraini Public Shareholding Company)

(Commercial Registration No.: 32196)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“EGM”) of Bahrain Family Leisure Company B.S.C. (the “Company”) will be held at Gulf Hotel (Awal-2), Manama, Kingdom of Bahrain on 30 March 2026 at 1:00 PM for the purpose of considering and, if thought fit, passing, with or without modification, the following resolutions designed to facilitate a strategic combination between Bahrain Family Leisure Company B.S.C. (“BFLC” or the “Company”) and Truffle Hospitality Holding W.L.L. (“Truffle” or the “Target”) where the latter will be contributed in kind to the former (“Proposed Transaction”).

At the EGM the Chairman shall read out the report prepared by the independent appraiser in respect to the value of Truffle in accordance with applicable laws and regulations and the professional independent adviser appointed in accordance with Module TMA of the CBB Rulebook will explain the findings of its report on the Proposed Transaction.

The resolutions will be voted by poll with each shareholder being entitled to one vote per each share owned. Only independent shareholders as defined in the Glossary of Module TMA of Volume 6 of the CBB Rulebook shall be allowed to vote on Resolution 4 (The Whitewash Resolution).. An independent shareholder is a shareholder of the Company other than Dividend Gate Capital W.L.L., parties acting in concert with Dividend Gate Capital W.L.L., their connected persons, and any other shareholder who is involved in or has an interest in the Proposed Transaction. Any shareholder who does not qualify as an independent shareholder is nonetheless entitled to attend the meeting, but must disclose their non-independence to the chairman prior to or at the meeting. Such shareholders shall not be permitted to participate in the discussion or vote on the resolutions.

Note on Inter-conditionality: The following resolutions are inter-conditional. If any of Resolutions 1, 2, 3, 4 and 5 is not approved by the requisite majority, none of the resolutions will be passed, and the Proposed Transaction will not proceed.

AS EXTRAORDINARY RESOLUTIONS:

Resolution 1: Increase of Issued Share Capital

“THAT, subject to the passing of Resolutions 2, 3, 4 and 5, the issued share capital of the Company be and is hereby increased from BHD 1,000,000 divided into 10,000,000 Ordinary Shares of BHD 0.100 each up to BHD 2,380,952.4 divided into 23,809,524 Ordinary Shares of BHD 0.100 each, and that the Memorandum and Articles of Association of the Company be amended accordingly.”

Resolution 2: Approval of the Proposed Transaction and In-Kind Contribution

“THAT, subject to the passing of Resolutions 1, 3, 4 and 5, the Board of Directors be and is hereby authorised to allot and issue up to 13,809,524 new Ordinary Shares of the Company to Dividend Gate Capital W.L.L. in consideration for the contribution in kind of the entire issued share capital of Truffle Hospitality Holding W.L.L., comprising 1,000 shares of BHD 1.000 each, valued at not less than BHD 3,713,125 as confirmed by the report of the Independent Appraiser, which valuation is hereby approved and ratified, pursuant to the terms of the share purchase agreement dated 25 November 2024 as amended on 8 February 2026.”

Resolution 3: The Strategic Investor Exemption from Pre-Emption Rights

“THAT, subject to the passing of Resolutions 1, 2, 4, and 5, Dividend Gate Capital W.L.L. qualifies as strategic investor capable of providing substantial support to the Company under Article 127 bis of the

Commercial Companies Law to whom the whole capital issue will be allocated and allotted without application of pre-emption rights in favour of existing shareholders.”

Resolution 4: The Whitewash Resolution

“THAT, subject to the passing of Resolutions 1, 2, 3 and 5, the waiver by the Independent Shareholders of their right to receive a mandatory offer from Dividend Gate Capital W.L.L. and parties acting in concert with it for all the issued Ordinary Shares of the Company not already owned by them, which would otherwise be required under Module TMA of the CBB Rulebook, Volume 6, as a consequence of the issue of shares to Dividend Gate Capital W.L.L. pursuant to the Proposed Transaction, be and is hereby approved.”

Resolution 5: Admission to Trading

“THAT, subject to the passing of the Resolutions above, the Board of Directors be authorised to take all necessary actions to apply for the admission to trading of the newly issued Ordinary Shares on the Bahrain Bourse.”

Resolution 6: Authorisation of the Board

“THAT the Chairman of the Board, or any person duly authorised by the Chairman or the Board of Directors, including any of the following lawyers of the Company's legal advisers, ASAR – Al Ruwayeh & Partners (Bahrain office): David Walker, Simone Del Nevo, Amal Lari, Rahul Sud, Sherif Saad Eldin, and Ahmed Al-Saeed, be and are hereby severally authorised to take all necessary actions, execute and sign all documents, deeds, applications, forms and instruments, make all filings and registrations with the MOIC, the Commercial Registry, the CBB, the Bahrain Bourse, Bahrain Clear, and any other governmental, regulatory or competent authority, and obtain all approvals, consents and no-objections required to implement and give full effect to the foregoing resolutions, including but not limited to signing the amended Memorandum and Articles of Association before the Notary Public in the Kingdom of Bahrain, filing any application, registering the capital increase, and applying for the admission to trading of the newly issued Ordinary Shares.”

The specific cum-date, ex-date, and change date for the capital increase will be communicated to shareholders in due course, following regulatory approvals and the finalisation of the transaction timeline.

By Order of the Board,

Board Secretary

Notes:

1. A Shareholder entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a Shareholder of the Company.
2. The instrument appointing a proxy must be deposited at the office of the Company's Share Registrars, KFintech (Karvy), Zamil Tower, Office No. 74, 7th Floor, P.O. Box 514, Manama, Kingdom of Bahrain (Tel: 17215080; Fax: 17212055; Email: muralikrishnan.k@kfintech.com and/or hani.alshaikh@kfintech.com), at least 24 hours before the time of the meeting.
3. Pursuant to the requirements of Module TMA of the CBB Rulebook, the Offeror, parties acting in concert with the Offeror, and parties not independent from them shall abstain from voting on Resolution 4 (The Whitewash Resolution).

APPENDIX IV — FORM OF PROXY

Extraordinary General Meeting — 30 March 2026

I/We, _____ [full name(s) of shareholder(s)],
of _____ [address],
being the registered holder(s) of _____ ordinary shares in the Company,
hereby appoint _____ [full name of proxy],
of _____ [address of proxy],

or failing him/her, the Chairman of the EGM, as my/our proxy to attend and vote for me/us and on my/our behalf at the Extraordinary General Meeting of the Company to be held on 30 March 2026 at 1:00 PM (Bahrain time) at Gulf Hotel (Awal-2), Manama, Kingdom of Bahrain, and at any adjournment thereof.

I/We direct my/our proxy to vote on the following resolutions as indicated below:

No.	Resolution	FOR	AGAINST	ABSTAIN
1	Increase of Issued Share Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Approval of the Proposed Transaction and In-Kind Contribution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Strategic Investor Exemption from Pre-emption Rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Whitewash Resolution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Admission to Trading	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Authorisation of the Board	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Signed this _____ day of _____ 2026

Signature: _____

Name of Shareholder: _____

CPR / CR No.: _____

Number of Shares held: _____

APPENDIX V – BFLC FINANCIALS

The remainder of this page has been intentionally left blank. BFLC Financials commences on the following page.

Bahrain Family Leisure Company B.S.C.

Financial statements for the
year ended 31 December 2024



الشركة البحرينية للترفيه العائلي ش.م.ب.

BAHRAIN FAMILY LEISURE COMPANY B.S.C.

www.bflc.com.bh

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تليفون: +973 1729 2973

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CHAIRMAN'S REPORT

Dear Shareholders,

On behalf of the Board of Directors (the "Board"), I have the pleasure in submitting our Annual Report and the financial statements of Bahrain Family Leisure Company B.S.C. ("BFLC") for the year ended 31 December 2024.

Corporate Governance Report

The Company Corporate Governance report has been printed and circulated to shareholders with our annual report for discussion in the Annual General Meeting. The Board believes that BFLC meets most of the recommendations made by Central Bank of Bahrain on Corporate Governance. We have continued the process of conducting annual evaluations for both individual directors and the Board as a whole in line with the requirements of the Corporate Governance Code. The evaluation results indicate that the Board is effectively fulfilling its duties.

Update on the potential merger

With reference to BFLC's public disclosure dated 7 January 2025 regarding the update on the appointment of third-party advisors to undertake the due diligence process on Truffle Hospitality Holding W.L.L. (Truffle), the food and beverage subsidiary of Dividend Gate Capital W.L.L. (DGC). BFLC would like to announce that it has finalized the selection of third-party due diligence advisors and is currently negotiating the terms of their engagements. The conditional agreement dated 25 November 2024, which was entered into between BFLC and DGC pertaining to the proposed consolidation between BFLC and Truffle, is contingent upon the successful completion of the due diligence process.

The transaction will be carried out through a share swap with BFLC issuing new shares equating to 58% of its share capital being transferred to Truffle's shareholders in exchange for 100% of Truffle's shares, and Truffle will then become a wholly owned subsidiary of BFLC. Pending successful due diligence, the proposed transaction will be subject to shareholder and regulatory approvals.

Company Performance

In FY 2024, we witnessed a substantial improvement in the business environment, particularly within our catering operations, where we secured three significant new contracts. This expansion contributed to strong revenue growth in the segment. However, this positive momentum was partially offset by a decline in third-quarter revenue at our restaurants, Bennigans and Cucina. This decline was primarily due to operational adjustments, such as discontinuation of breakfast services and reduced customer traffic due to the introduction of new regulations by the Bahrain Tourism and Exhibitions Authority affecting service hours. Despite these challenges, we remain committed to capitalizing on the growth potential of our catering division while implementing targeted strategies to improve the business performance.



الشركة البحرينية للترفيه العائلي ش.م.ب.

BAHRAIN FAMILY LEISURE COMPANY B.S.C.

www.bflc.com.bh

محل رقم ١٠٠٦، مبنى ١٥، مجمع ٣٣٨، طريق ٣٨٠١
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BFLC has achieved an operational Profit of BD 90,753/- for the year FY 2024, compared to BD 108,074/- in 2023. However, the revaluation of BFLC's investment portfolio mainly CINECO shares has adversely impacted the overall Net Profit and Loss statement as of 31st December, 2024, resulting in net loss of BD 248,949/- due to unfavorable fluctuation of CINECO shares in the Bahrain stock market.

Board of Directors

The Board takes immense pleasure in welcoming Mrs. Reem Alrayes as member of the Board representing Gulf Hotels Group. BFLC will greatly benefit from her experience and we are confident that she will make valuable contributions to the growth and success of BFLC.

BDO, our statutory auditors, will provide more details about the operating results for the financial year 2024.

Acknowledgement

On behalf of the shareholders of BFLC, the Board extends its sincere gratitude and appreciation to H.M. King Hamad Bin Isa Al Khalifa, His Royal Highness Prince Salman bin Hamad Al Khalifa, the Crown Prince, Deputy Supreme Commander of the Armed Forces and Prime Minister, as well as the Ministers, Undersecretaries, Directors and Heads of Government Departments, for their invaluable support, guidance and encouragement.

These thoughts are also extended to our clients, patrons and, most of all, the people of Bahrain. We highly appreciate your continued support, trust and confidence as we strive for progress. The Board further expresses their gratitude to BFLC's shareholders and bankers for their continued support.

The success of BFLC in FY 2024 would not have been possible without the hard work and dedication of its management and staff. The Board, I extend our appreciation to BFLC's management and everyone who has done their part and contribute to achieving the best possible results.

As we move into 2025, we remain confident in the ability of BFLC's management and team to sustain this momentum and deliver another year of success and growth.

Abdul Latif Khalid Al Aujan

Chairman of the Board

Ahmed Janahi

Vice Chairman of the Board

Bahrain Family Leisure Company B.S.C.
Directors' report for the year ended 31 December 2024

Dear Shareholders

The Board of Directors have pleasure in submitting the audited financial statements of Bahrain Family Leisure Company B.S.C. ("the Company" or "BFLC") for the year ended 31 December 2024.

Principal activities and review of business developments

The principal activities of the Company include operating restaurants, providing services related to family entertainment, supply of amusement related equipment, catering services and investing in businesses with similar objectives to those of the Company.

The results for the year are set out on pages 9 and 10 of the financial statements.

Dividend

The Board of Directors of the Company do not propose any dividend for the year ended 31 December 2024 (2023: BDNil).

Directors' remuneration and executive salaries

In accordance with the Article 188 of Bahrain Commercial Law and amendment degree No.28/2020, the details of salaries, bonuses, share in profits, attendance allowances, representation allowances, expenses, etc. towards administrative, advisory or any other business paid to the Board of Directors during the year 2024 are disclosed as under:

Disclosure forms for the remuneration of members of the board of directors and the executive management in the report of the board of directors

First: Board of directors' remuneration details:

Name	Fixed remunerations					Variable remuneration					End-of-service award	Aggregate amount	Expenses allowance
	Remunerations of the Chairman and Board	Total allowance for attending Board and committee meetings	Salaries	Others	Total	Remunerations of the Chairman and Board	Bonus	Incentive Plans	Others	Total			
First: Independent Directors:													
1. Mr Abdul Latif Khalid Al Auja	-	BD5,600	-	-	BD5,600	-	-	-	-	-	-	BD5,600	-
2. Mr Adel Salman kanoo	-	BD4,250	-	-	BD4,250	-	-	-	-	-	-	BD4,250	-
3. Mr Sharif Mohd Ahmadi	-	BD6,000	-	-	BD6,000	-	-	-	-	-	-	BD6,000	-
4. Mr Basher Mohd Alhasan	-	BD4,900	-	-	BD4,900	-	-	-	-	-	-	BD4,900	-
Second: Non-Executive Directors:													
1. Mr Ahmed Janahi	-	BD6,300	-	-	BD6,300	-	-	-	-	-	-	BD6,300	-
2. Mr Charbel Sarkis	-	BD3,550	-	-	BD3,550	-	-	-	-	-	-	BD3,550	-
3. Ms. Reem Alrayes	-	BD1,850	-	-	BD1,850	-	-	-	-	-	-	BD1,850	-
4. Mr Muhammad Al Kayed	-	BD6,800	-	-	BD6,800	-	-	-	-	-	-	BD6,800	-
Total	-	BD39,250	-	-	BD39,250	-	-	-	-	-	-	BD39,250	-
Third: Executive Directors													
Nil	-	-	-	-	-	-	-	-	-	-	-	-	-

Note: All amounts must be stated in Bahraini Dinars.

No variable remuneration has been paid to Directors during the year ended 31 December 2024.

Directors' remuneration and executive salaries (continued)

Executive management remuneration

The details of the remuneration paid during the year 2024 to the executive management, including salaries, benefits etc. are disclosed as under:

Executive management	Total paid salaries and allowances	Total paid remuneration (Bonus)	Any other cash/ in kind remuneration for 2024	Aggregate Amount
Top 6 remunerations for executives	BD69,501	-	-	BD69,501
All amounts are in Bahraini Dinars.				

No bonus and other in-kind remuneration paid to executive management during the year ended 31 December 2024.

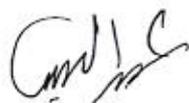
Representation and audit

The Company's activities for the year ended 31 December 2024 have been conducted in accordance with the Bahrain Commercial Companies Law and other relevant statutes of the Kingdom of Bahrain.

The Company has maintained proper, complete accounting records and these, together with all other information and explanations, have been made freely available to the auditors, BDO.

The Board of Directors propose to appoint BDO as external auditors of the Company for the next financial year; who have expressed their willingness to continue in the office for the next financial year.

Signed on behalf of the Board:



Abdul Latif Khalid Al Aujan
Chairman

5 February 2025



Ahmed Janahi
Vice-Chairman



Independent auditors' report to the shareholders of Bahrain Family Leisure Company B.S.C.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Bahrain Family Leisure Company B.S.C. ("the Company"), which comprise the statement of financial position as at 31 December 2024, the statement of profit or loss and other comprehensive income, the statement of changes in shareholders' equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for opinion

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

Material uncertainty relating to going concern

We draw attention to Note 29 to the financial statements for the year ended 31 December 2024, which states that the Company has incurred a net loss of BD270,602 for the year ended 31 December 2024 and its accumulated losses aggregated to BD3,360,481 resulting in significant erosion of the share capital as at 31 December 2024. This factor raises substantial doubts about the Company's ability to continue to operate as a going concern. However, the Board of Directors have prepared these financial statements on a going concern basis as Those Charged With Governance (TCWG) are in the process of assessing all the available options with respect to Company's liquidity position and going concern. Further, in the opinion of TCWG, the Company has sufficient liquidity which can meet its liabilities for the foreseeable future and the Company is expected to continue its operations in the normal course. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended 31 December 2024. These matters were addressed in the context of our audit of the financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters include:

Revenue recognition

Revenue primarily represents sale of food, beverages, entertainment and other miscellaneous income. Sales are recognised when the controls of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably.

Our procedures included considering appropriateness of revenue recognition as per the Company policy including those relating to discounts and assessing compliance with the policies in terms of applicable accounting standards. We assessed sales transactions taking place at either side of the statement of financial position date to assess whether the revenue was recognised in the correct period. We also performed substantive testing on revenue for selected samples relating to daily sales reports, monthly sales invoices, cash collections to deposit slips and reconciliation of revenue to VAT and levy payments.

Independent auditors' report to the shareholders of Bahrain Family Leisure Company B.S.C. (continued)

Report on the audit of the financial statements (continued)

Key audit matters (continued)

Financial assets at fair value through profit or loss

The Company has quoted investments amounting to BD751,196 disclosed in Note 8 which form a material balance in the financial statements of the Company and are subject to change in the fair value. This could have significant impact on the Company's results if assets are misstated.

Our audit procedures included the testing of investments acquired during the year on a sample basis, testing of ownership and classification and testing of fair value of the quoted investments with the listed prices in the relevant stock exchange.

Going Concern

The Company has incurred a net loss of BD270,602 during the year ended 31 December 2024. The current year losses have increased the accumulated losses to BD3,360,481 as at 31 December 2024 raising concern on the going concern status of the Company. There was significant judgement involved in preparing the cashflow projections used in the going concern assessment. Owing to the level of management judgement and estimation, we identified a key audit matter in relation to the appropriateness of the going concern basis of accounting.

We obtained management's updated financial models used to support their going concern assumptions and tested their arithmetical accuracy. We obtained and evaluated the evidence supporting management's assumptions, assessed whether alternative risk scenarios were appropriately considered, and determined whether any potential mitigations were reasonable and realistic.

We have also reviewed the cash flow projections provided by management and evaluated the reliability of past cash flow projections they prepared.

We have evaluated the managements' plans for future actions in relation to its going concern assessment, taking into account any relevant events subsequent to the year-end through discussion with the Board and Audit Committee.

Other information

Management is responsible for the other information. The other information in the annual report comprise of Directors' report and Corporate Governance report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of management and Those Charged With Governance ("TCWG") for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS Accounting Standards as issued by IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so. Those Charged With Governance are responsible for overseeing the Company's financial reporting process.

Independent auditors' report to the shareholders of Bahrain Family Leisure Company B.S.C. (continued)

Report on the audit of the financial statements (continued)

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

Independent auditors' report to the shareholders of Bahrain Family Leisure Company B.S.C. (continued)

Report on other legal and regulatory requirements

(A) As required by the Bahrain Commercial Companies Law, we report that:

- (1) we have obtained all the information we considered necessary for the purpose of our audit;
- (2) the Company has carried out stock taking in accordance with recognised procedures and has maintained proper books of account and the financial statements are in agreement therewith; and
- (3) the financial information included in the Directors' report is consistent with the books of account of the Company.

(B) As required by the Ministry of Industry and Commerce in its letter dated 30 January 2020 in respect of the requirements of Article 8 of Section 2 of Chapter 1 of the Corporate Governance Code, we report that:

- (1) the Company had a corporate governance officer till 22 November 2024 beyond which the Company has not appointed a corporate governance officer; and
- (2) the Company has a Board approved written guidance and procedures for corporate governance.

In addition, except for the Company's share capital has been significantly eroded and is not sufficient to meet its objectives, we report that, nothing has come to our attention which causes us to believe that the Company has breached any of the applicable provisions of the Bahrain Commercial Companies Law, the Central Bank of Bahrain (CBB) Rule Book (applicable provisions of Volume 6) and CBB directives, regulations and associated resolutions, rules and procedures of the Bahrain Bourse or of its Memorandum and Articles of Association, which would materially affect its activities, or its financial position as at 31 December 2024.



Manama, Kingdom of Bahrain
5 February 2025



Bahrain Family Leisure Company B.S.C.
Statement of financial position as at 31 December 2024
(Expressed in Bahrain Dinars)

See Auditor's Report dated 5/2/25
Signed by BDO, CR No. 10201-04
Partner: Samson Kattuvattil
Reg. No. 239
Signature: 

	Notes	31 December 2024	31 December 2023
ASSETS			
Non-current assets			
Property, plant and equipment	5	58,316	43,031
Intangible assets	6	-	4,611
Right-of-use assets	7	505,521	379,597
Financial assets at fair value through profit or loss	8	<u>751,196</u>	<u>999,878</u>
		<u>1,315,033</u>	<u>1,427,117</u>
Current assets			
Inventories	9	19,651	20,485
Trade and other receivables	10	156,913	99,676
Term deposits	11	250,000	350,000
Cash and cash equivalents	12	<u>189,820</u>	<u>173,471</u>
		<u>616,384</u>	<u>643,632</u>
Total assets		<u>1,931,417</u>	<u>2,070,749</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	13	4,000,000	4,000,000
Statutory reserve	14	794,927	794,927
Capital reserve	15	68,245	68,245
Accumulated losses		(3,360,481)	(3,089,879)
Treasury shares	13	<u>(400,000)</u>	<u>(400,000)</u>
Total equity		<u>1,102,691</u>	<u>1,373,293</u>
Non-current liabilities			
Employees' terminal benefits	16	45,377	73,838
Non-current portion of lease liabilities	18	<u>361,855</u>	<u>261,918</u>
		<u>407,232</u>	<u>335,756</u>
Current liabilities			
Trade and other payables	17	257,266	233,765
Current portion of lease liabilities	18	<u>164,228</u>	<u>127,935</u>
		<u>421,494</u>	<u>361,700</u>
Total liabilities		<u>828,726</u>	<u>697,456</u>
Total equity and liabilities		<u>1,931,417</u>	<u>2,070,749</u>

The audited financial statements were approved, authorised for issue by the Board of Directors and signed on their behalf by:


Abdul Latif Khalid Al Aujan
Chairman


Ahmed Janahi
Vice-Chairman

Bahrain Family Leisure Company B.S.C.
Statement of profit or loss and other comprehensive income
for the year ended 31 December 2024
(Expressed in Bahrain Dinars)

See Auditor's Report dated 5/2/25
Signed by BDO, CR No. 10201-04
Partner: Samson Kaltuvattil
Reg. No. 239
Signature: 

	<u>Notes</u>	<u>Year ended 31 December 2024</u>	<u>Year ended 31 December 2023</u>
Operating income	19	1,357,980	1,182,716
Operating costs	20	<u>(1,267,227)</u>	<u>(1,074,642)</u>
Operating gross profit		<u>90,753</u>	<u>108,074</u>
Expenses			
General and administrative expenses	21	(132,827)	(130,505)
Finance cost on lease liabilities	18	(35,449)	(15,929)
Selling and advertising expenses		(5,317)	(4,609)
Directors' fees		<u>(39,250)</u>	<u>(36,950)</u>
Total expenses		<u>(212,843)</u>	<u>(187,993)</u>
Loss before investment and other income		<u>(122,090)</u>	<u>(79,919)</u>
Losses on investment, net	22(a)	(186,304)	(329,696)
Other income	22(b)	<u>37,792</u>	<u>30,849</u>
		<u>(148,512)</u>	<u>(298,847)</u>
Net loss and total comprehensive loss for the year		<u>(270,602)</u>	<u>(378,766)</u>
Basic and diluted loss per share	23	<u>Fils (7.52)</u>	<u>Fils (10.52)</u>

The audited financial statements were approved, authorised for issue by the Board of Directors and signed on their behalf by:



Abdul Latif Khalid Al Aujan
Chairman



Ahmed Janahi
Vice-Chairman

Bahrain Family Leisure Company B.S.C.
Statement of changes in shareholders' equity for the year ended 31 December 2024
(Expressed in Bahrain Dinars)

	Share capital	Statutory reserve	Capital reserve	Accumulated losses	Treasury shares	Total
At 31 December 2022	4,000,000	794,927	68,245	(2,711,113)	(400,000)	1,752,059
Net loss and other comprehensive loss for the year	-	-	-	(378,766)	-	(378,766)
At 31 December 2023	4,000,000	794,927	68,245	(3,089,879)	(400,000)	1,373,293
Net loss and other comprehensive loss for the year	-	-	-	(270,602)	-	(270,602)
At 31 December 2024	<u>4,000,000</u>	<u>794,927</u>	<u>68,245</u>	<u>(3,360,481)</u>	<u>(400,000)</u>	<u>1,102,691</u>

Bahrain Family Leisure Company B.S.C.
Statement of cash flows for the year ended 31 December 2024
(Expressed in Bahrain Dinars)

	<u>Notes</u>	Year ended 31 December <u>2024</u>	Year ended 31 December <u>2023</u>
Operating activities			
Net loss for the year		(270,602)	(378,766)
Adjustments for:			
Depreciation of property, plant, and equipment	5	16,299	40,546
Amortisation of intangible assets	6	831	5,586
Amortisation of right-of-use assets	7	157,925	145,799
Finance cost on lease liabilities	18	35,449	15,929
Loss/(gain) on disposal of property, plant and equipment	21	13,788	(1,281)
Loss on property, plant and equipment written off	21	2,706	-
Loss on intangible assets written off	21	3,780	-
Unrealised fair value losses on financial assets at fair value through profit or loss	22(a)	248,682	392,029
Dividend income	22(a)	(62,378)	(62,333)
Interest income	22(b)	(20,013)	(20,170)
Gain on lease termination	22(b)	(127)	-
Changes in operating assets and liabilities:			
Inventories		834	(2,385)
Trade and other receivables		(57,237)	(39,839)
Trade and other payables		23,501	25,821
Employees' terminal benefits, net		(28,461)	4,824
Net cash provided by operating activities		<u>64,977</u>	<u>125,760</u>
Investing activities			
Purchase of property, plant and equipment	5	(58,721)	(4,069)
Proceeds from sale of property, plant and equipment		10,643	1,320
Interest received	22(b)	20,013	20,170
Net movement in term-deposits		100,000	-
Dividend received	22(a)	<u>62,378</u>	<u>62,333</u>
Net cash provided by investing activities		<u>134,313</u>	<u>79,754</u>
Financing activities			
Principal and interest paid on lease liabilities	18	(182,941)	(163,300)
Net cash used in financing activities		<u>(182,941)</u>	<u>(163,300)</u>
Net increase in cash and cash equivalents		16,349	42,214
Cash and cash equivalents, beginning of the year		<u>173,471</u>	<u>131,257</u>
Cash and cash equivalents, end of the year	12	<u>189,820</u>	<u>173,471</u>

1 Organisation and activities

Bahrain Family Leisure Company B.S.C. (“the Company”) is a Bahraini public shareholding company registered with the Ministry of Industry and Commerce in the Kingdom of Bahrain. The Company obtained its commercial registration number 32196 on 13 July 1994.

The principal activities of the Company are operating restaurants, providing services related to family entertainment, supply of amusement related equipment, catering services and investing in businesses with similar objectives to those of the Company.

Name and status of the divisions:

<u>Name</u>	<u>Commercial registration number</u>	<u>Status</u>
Bahrain Family Leisure Company	32196-01	Active
Kazbah	32196-04	Active
Bennigan’s	32196-07	Active
Cucina Italian Restaurant B.S.C.	32196-13	Active

These financial statements, set out on pages 9 to 35, were approved and authorised for issue by the Board of Directors on 5 February 2025.

2 Basis of preparation

Statement of compliance

The financial statements have been prepared in accordance with the IFRS Accounting Standards as promulgated by the International Accounting Standards Board (“IASB”), interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”), the Central Bank of Bahrain (CBB) Rule Book (applicable provisions of Volume 6), the requirements of the Bahrain Commercial Companies Law, and associated resolutions, rules and procedures of the Bahrain Bourse.

Basis of presentation

These financial statements have been prepared using going concern assumption under the historical cost convention. The financial statements have been presented in Bahrain Dinars which is the functional currency of the Company.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company’s accounting policies.

Improvements/amendments to IFRS Accounting Standards

Improvements/amendments to IFRS Accounting standards contained numerous amendments to IFRS Accounting standards that the IASB considers non-urgent but necessary. ‘Improvements to IFRS Accounting standards’ 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 Accounting standards. The amendments are effective for the Company’s future accounting year with earlier adoption.

2 Basis of preparation (continued)

Standards, amendments and interpretations issued and effective in 2024 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 2024 or subsequent periods, but is not relevant to the Company's operations:

<u>Standard or interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
IAS 1	Presentation of financial statements	1 January 2024
IAS 7	Statement of Cash Flows	1 January 2024
IFRS 7	Financial Instruments: Disclosures	1 January 2024
IFRS 16	Leases	1 January 2024

Standards, amendments and interpretations issued but not yet effective in 2024

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial year ended 31 December 2024. They have not been adopted in preparing these financial statements for the year ended 31 December 2024 and will or may have an effect on the entity's future financial statements. In all cases, the Company intends to apply these standards from application date as indicated in the table below:

<u>Standard or interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
IAS 21	The Effects of Changes in Foreign Exchange Rates	1 January 2025
IFRS 9	Financial Instruments	1 January 2026
IFRS 7	Financial Instruments: Disclosures	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

Early adoption of amendments or standards in 2024

The Company did not early-adopt any new or amended standards in 2024. There would have been no change in the operational results of the Company for the year ended 31 December 2024 had the Company early adopted any of the above standards applicable to the Company.

3 Material accounting policy information

A summary of the material accounting policies adopted in the preparation of these financial statements is set out below. The policies have been consistently applied to all the years presented, unless stated otherwise.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Cost includes all costs directly attributable to bringing the asset to working condition for its intended use.

Depreciation is calculated on the straight-line basis to write-off the cost of property, plant and equipment to their estimated residual values over their expected economic useful lives as follows:

Buildings on leasehold land	20 years
Kitchen equipment	3 - 7 years
Furniture, fixtures and office equipment	5 - 7 years
Motor vehicles	5 years

3 Material accounting policy information (continued)

Property, plant and equipment (continued)

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written-down immediately to its recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining net profit.

Repairs and renewals are charged to the statement of profit or loss and other comprehensive income when they are incurred.

Intangible assets

Intangible assets consist of fees paid for the acquisition of franchise rights and area development costs. The intangible assets with a finite useful life are capitalised and amortised using the straight-line method over the term of the franchise.

The carrying value of franchise rights is reviewed for impairment annually when the asset is not yet in use or more frequently when an indicator of impairment arises during the reporting year indicating that the carrying value may not be recoverable.

Leases

The Company accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- (a) There is an identified asset;
- (b) The Company obtains substantially all the economic benefits from use of the asset; and
- (c) The Company has the right to direct use of the asset.

The Company considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease. In determining whether the Company obtains substantially all the economic benefits from use of the asset, the Company considers only the economic benefits that arise use of the asset, not those incidentals to legal ownership or other potential benefits.

In determining whether the Company has the right to direct use of the asset, the Company considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Company considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Company applies other applicable IFRS Accounting Standards rather than IFRS 16.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

3 Material accounting policy information (continued)

Leases (continued)

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the group if it is reasonable certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When the Company renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;
- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is re-measured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount; and
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

Based on the exemptions available in IFRS 16, low value and short-term leases are not capitalised in the statement of financial position. All payments made towards such leases are charged to the statement of profit or loss and other comprehensive income on a straight line basis over the period of the lease.

3 Material accounting policy information (continued)

Financial assets

The Company classifies its financial assets in the following measurement categories:

1. Financial assets at fair value through profit or loss (FVTPL); and
2. Financial assets at amortised cost.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are initially recognised at fair value, including transaction costs that are directly attributable to the acquisition of the financial asset except transaction cost on financial instruments at FVTPL are not included in the amount at which the instrument is initially measured, instead they are immediately recognised in profit or loss. Equity and debt instruments are measured at fair value and all changes in fair value are recognised in the statement of profit or loss under IFRS 9.

Financial assets at amortised cost

Financial assets carried at amortised cost are initially recognised at fair value plus transaction cost that are directly attributable to their acquisition or issue and subsequently carried at amortised cost using the effective interest rate method less, provision for impairment. Categories of financial assets measured at amortised cost are given below:

Trade and other receivables

Trade and other receivables are carried at their anticipated realisable values. An estimate is made for impaired trade receivables based on a review of all outstanding amounts at the year-end. Bad debts are written-off during the year in which they are identified. Impairment provision is recognised based on expected losses over the entire life of the trade and other receivables unless these are collectable over more than 12 months, in which case impairment losses are recognised on three stage expected credit losses model developed internally by the Company.

Cash and cash equivalents

Cash and cash equivalents are recorded at amortised cost in the financial statements less expected credit loss. Cash and cash equivalents comprise of cash on hand and bank balances which are subject to insignificant risk of fluctuation in its realisable value.

Financial liabilities

The financial liabilities of the Company consist of trade and other payables and lease liabilities. These financial liabilities are initially recognised at fair value and are subsequently re-measured at amortised cost using the effective interest method.

Trade and other payables

Trade and other payables are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, which is determined on the first in first out basis, comprises expenditure incurred in the normal course of business in bringing inventories to their present location and condition. Net realisable value is the estimate of the selling price in the ordinary course of business net of selling expenses. Where necessary, an allowance is made for obsolete, slow-moving and defective inventories. The stock is counted and verified on a monthly basis. The differences, if any, are updated in the system. The old/perishable items are written-off on a periodic basis.

3 Material accounting policy information (continued)

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's ordinary shares are classified as equity instruments.

Employees' terminal benefits

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post-employment benefits

Employees' terminal benefits and entitlements to annual leave, holiday, air passage and other short-term benefits are recognised as they accrue to the employees. The Company contributes to the pension scheme for Bahraini nationals administered by the Social Insurance Organisation in the Kingdom of Bahrain. This is a defined contribution pension plan and the Company's contributions are charged to the separate statement of profit or loss and other comprehensive income in the year to which they relate. In respect of this plan, the Company has a legal obligation to pay the contributions as they fall due and no obligation exists to pay the future benefits.

The expatriate employees of the Company are paid leaving indemnity in accordance with the provisions of the Bahrain Labour Law. The Company accrues for its liability in this respect on an annual basis until 29 February 2024, thereafter the Company contributes to the leaving indemnity for expatriate employees administered by the Social Insurance Organisation in the Kingdom of Bahrain.

Revenue recognition under IFRS 15

a. Sale of goods

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

b. Services income

Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously.

In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Determining the transaction price

The Company's revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

3 Material accounting policy information (continued)

Foreign currency transactions

Foreign currency transactions are accounted for at the rates of exchange prevailing on the dates of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation, at the year-end rates, of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of profit or loss and other comprehensive income. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

4 Critical accounting judgement and key source of estimation uncertainty

Preparation of the financial statements in accordance with IFRS Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. The determination of estimates requires judgments which are based on historical experience, current and expected economic conditions, and all other available information. Actual results could differ from those estimates.

The most significant areas requiring the use of management estimates and assumptions relate to:

- economic useful lives of property, plant and equipment and intangible assets;
- economic useful lives of right-of-use-assets;
- determination of lease term and the borrowing rates for leases;
- fair value measurement;
- impairment of assets;
- revenue recognition;
- going concern; and
- contingencies.

Economic useful life of property, plant and equipment and intangible assets

Property, plant and equipment and Intangible assets are depreciated or amortised over their economic useful lives. Useful lives are based on the management's estimates of the period that the assets will generate revenue or bring economic benefit to the Company. The economic useful lives are periodically reviewed for continued appropriateness. Changes to estimates can result in significant variations in the carrying value and amounts charged to the statement of profit or loss and other comprehensive income in specific periods.

Economic useful life of right-of-use assets

Right-of-use assets are amortised over their useful lives. Useful lives are based on the management's estimates of the period that the assets will generate revenue, which are periodically reviewed for continued appropriateness. Changes to estimates can result in significant variations in the carrying value and amounts charged to the statement of profit or loss in specific periods.

The Company's right-of-use assets are amortised on a straight-line basis from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Economic useful lives of right-of-use assets are reviewed by management periodically. The review is based on the current condition of the assets and the estimated period during which they will continue to bring economic benefit to the Company.

4 Critical accounting judgement and key source of estimation uncertainty (continued)

Determination of lease term and the borrowing rates for leases

The management of the Company exercises judgment while determining if it is reasonably certain while exercising the lease options at the commencement as well as during the lease term. The carrying value of lease liabilities are revised based on certain the variable elements of the future lease payments like rates or index. Determination of incremental borrowing rates used to determine the carrying value of lease liabilities and the discount rates used to determine the carrying value of right-of-use of lease rights involve, to certain extent, management estimates. Any changes to management estimate may have an impact on the term as well as the carrying values of the lease assets and liabilities.

Fair value measurement

A number of assets and liabilities included in the Company's financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the Company's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

Level 1: Quoted prices in active markets for identical items (unadjusted)

Level 2: Observable direct or indirect inputs other than Level 1 inputs

Level 3: Unobservable inputs (i.e. not derived from market data)

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur. The Company has only one category of financial assets which is carried at fair value on a recurring basis. Disclosure relating to fair value hierarchy and basis of measurement is included in Note 28.

Impairment of assets

The Company creates provisions for impaired trade receivables to account for estimated losses resulting from the inability of customers to make the required payments. At 31 December 2024, in the opinion of the Company's management, no provision is required towards impaired trade and other receivables (2023: BDNil). IFRS 9 has fundamentally changed the loan loss impairment methodology. The standard has replaced IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. The Company is required to record an allowance for expected losses for all loans and other debt type financial assets not held at FVTPL. The allowance is based on the ECL associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination, in which case, the allowance is based on the probability of default over the life of the asset.

The Company also creates allowance for obsolete and slow-moving inventories. At 31 December 2024, in the opinion of management, no provision is required for the obsolete and slow-moving inventories (2023: BDNil). Estimates of net realisable value of inventories are based on the most reliable evidence available at the time the estimates are made. These estimates take into consideration fluctuations of price or cost directly relating to events occurring subsequent to the statement of financial position date to the extent that such events confirm conditions existing at the end of the year.

Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a customer.

4 Critical accounting judgement and key source of estimation uncertainty (continued)

Going concern

The management of the Company reviews the financial position on a periodical basis and assesses the requirement of any additional funding to meet the working capital requirements and estimated funds required to meet the liabilities as and when they become due. In addition, the shareholders of the Company ensure that they provide adequate financial support to fund the requirements of the Company to ensure the going concern status of the Company.

Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

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5 Property, plant and equipment

	Buildings on leasehold land	Kitchen equipment	Furniture, fixtures and office equipment	Motor vehicles	Total
Cost					
At 31 December 2022	1,100,288	491,400	972,882	50,908	2,615,478
Additions	-	-	4,069	-	4,069
Disposals	-	(11,365)	(21,776)	-	(33,141)
At 31 December 2023	1,100,288	480,035	955,175	50,908	2,586,406
Additions	-	18,603	40,118	-	58,721
Write-off	-	(5,382)	(135,665)	-	(141,047)
Disposals	-	(25,313)	(132,127)	(750)	(158,190)
At 31 December 2024	<u>1,100,288</u>	<u>467,943</u>	<u>727,501</u>	<u>50,158</u>	<u>2,345,890</u>
Accumulated depreciation					
At 31 December 2022	1,100,288	474,382	910,505	50,756	2,535,931
Charge for the year	-	8,460	31,934	152	40,546
On disposals	-	(11,365)	(21,737)	-	(33,102)
At 31 December 2023	1,100,288	471,477	920,702	50,908	2,543,375
Charge for the year	-	5,280	11,019	-	16,299
On write-off*	-	(4,992)	(133,349)	-	(138,341)
On disposals	-	(22,903)	(110,106)	(750)	(133,759)
At 31 December 2024	<u>1,100,288</u>	<u>448,862</u>	<u>688,266</u>	<u>50,158</u>	<u>2,287,574</u>
Net book value					
At 31 December 2024	<u>-</u>	<u>19,081</u>	<u>39,235</u>	<u>-</u>	<u>58,316</u>
At 31 December 2023	<u>-</u>	<u>8,558</u>	<u>34,473</u>	<u>-</u>	<u>43,031</u>

Depreciation on property, plant and equipment is charged in the statement of profit or loss and other comprehensive income as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
Operating costs (Note 20)	15,635	40,173
General and administrative expenses (Note 21)	<u>664</u>	<u>373</u>
	<u>16,299</u>	<u>40,546</u>

Operating costs represent the depreciation on the property, plant and equipment of the restaurants.

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6 Intangible assets

	31 December 2024	31 December 2023
Cost		
Opening balance	291,986	291,986
Write-off	<u>(19,972)</u>	<u>-</u>
Closing balance	<u>272,014</u>	<u>291,986</u>
Accumulated amortization		
Opening balance	287,375	281,789
Amortisation charge for the year	831	5,586
On write-off	<u>(16,192)</u>	<u>-</u>
Closing balance	<u>272,014</u>	<u>287,375</u>
Net book value	<u>-</u>	<u>4,611</u>

Amortisation on intangible assets is charged in the statement of profit or loss and other comprehensive income as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
General and administrative expenses (Note 21)	<u>831</u>	<u>5,586</u>

	31 December 2024	31 December 2023
Franchise fee	831	5,040
Computer software	-	329
HACCP Certificate	<u>-</u>	<u>217</u>
	<u>831</u>	<u>5,586</u>

Intangible assets include franchise fees paid for the brand Bennigan's and computer software.

During the year the company has closed one of the locations in Amwaj.

The carrying amount of intangible assets are reviewed annually and adjusted for impairment, where considered necessary.

7 Right-of-use assets

	Office building	Outlets/ restaurants	Total
At 31 December 2022	-	241,408	241,408
Additions during the year	-	283,988	283,988
Amortisation charge for the year	<u>-</u>	<u>(145,799)</u>	<u>(145,799)</u>
Balance as at 31 December 2023	-	379,597	379,597
Additions during the year	13,930	290,180	304,110
Lease termination during the year	-	(20,261)	(20,261)
Amortisation charge for the year	<u>(4,643)</u>	<u>(153,282)</u>	<u>(157,925)</u>
Balance as at 31 December 2024	<u>9,287</u>	<u>496,234</u>	<u>505,521</u>

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7 Right-of-use assets (continued)

Amortisation on right-of-use asset is charged in the statement of profit or loss and other comprehensive income as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
Operating costs (Note 20)	153,282	145,799
General and administrative expenses (Note 21)	<u>4,643</u>	<u>-</u>
	<u>157,925</u>	<u>145,799</u>

8 Financial assets at fair value through profit or loss

	31 December 2024	31 December 2023
Opening balance	999,878	1,391,907
Unrealised fair value losses (Note 22(a))	<u>(248,682)</u>	<u>(392,029)</u>
Closing balance	<u>751,196</u>	<u>999,878</u>

All the financial assets are denominated in Bahrain dinars and are considered non-current.

Financial assets at fair value through profit or loss account comprise equity securities listed on the stock exchange and are stated at fair value based on their quoted market price at the close of business on 31 December 2024.

9 Inventories

	31 December 2024	31 December 2023
Beverages	9,436	9,548
Food	6,579	7,510
Others	<u>3,636</u>	<u>3,427</u>
	<u>19,651</u>	<u>20,485</u>

10 Trade and other receivables

	31 December 2024	31 December 2023
Trade receivables	37,791	19,935
Amount due from related parties (Note 26)	84,132	40,260
Other receivables	20,647	20,688
Prepayments	9,898	15,044
Deposits	3,980	3,050
Staff advances	<u>465</u>	<u>699</u>
	<u>156,913</u>	<u>99,676</u>

10 Trade and other receivables (continued)

The Company has applied the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Company considers a financial asset in default when contractual payment are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

- The Company's trade and other receivables are denominated in Bahrain Dinars.

In the opinion of the Company's management, the fair values of the trade and other receivables are not expected to be significantly different from their carrying values as at 31 December 2024.

11 Term deposits

Term deposits held with the Company's bankers earn a rate of return of 5.25% (2023: 5.8%), are denominated in Bahrain Dinars and have maturities of more than three months but less than a year.

12 Cash and cash equivalents

	31 December <u>2024</u>	31 December <u>2023</u>
Call account balance*	73,157	152,783
Current account balance**	115,013	18,588
Cash on hand	<u>1,650</u>	<u>2,100</u>
	<u>189,820</u>	<u>173,471</u>

* The call account balances bear interest at an effective rate ranging from 0.15% to 1.25% (2023: 0.15% to 1.25%) per annum.

** The current account balances with banks are non-interest bearing.

13 Share capital

	31 December <u>2024</u>	31 December <u>2023</u>
Authorised		
200,000,000 (2023: 200,000,000) ordinary shares of 100 fils each	<u>20,000,000</u>	<u>20,000,000</u>
Issued and fully paid-up		
40,000,000 (2023: 40,000,000) ordinary shares of 100 fils each	<u>4,000,000</u>	<u>4,000,000</u>

Treasury shares

Treasury shares were acquired consistent with the Ministry of Industry and Commerce's approval to purchase up to 10% of the Company's issued and fully paid-up share capital. The nominal value of these shares has been disclosed as deduction from reserves. The difference between the nominal value of the acquired shares, and the purchase price, was credited to the capital reserve (Note 15).

13 Share capital (continued)

Additional information on shareholding pattern

At 31 December, the names and nationalities of the major shareholders and the number of shares held in excess of 5% or more of the outstanding shares are as follows:

Major shareholders	Nationality	2024		2023	
		Number of shares	Percentage of shareholding interest	Number of shares	Percentage of shareholding interest
Others	Various	24,451,743	61.13%	24,451,743	61.13%
Gulf Hotels Group B.S.C.	Bahraini	10,100,000	25.25%	10,100,000	25.25%
Directors	Bahraini	1,448,257	3.62%	1,448,257	3.62%
		36,000,000	90.00%	36,000,000	90.00%
Treasury shares		4,000,000	10.00%	4,000,000	10.00%
		<u>40,000,000</u>	<u>100.00%</u>	<u>40,000,000</u>	<u>100.00%</u>

The Company 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:

	Number of shares		Number of Shareholders		Percentage of total outstanding shares	
	2024	2023	2024	2023	2024	2023
Directors	1,448,257	1,448,257	4	4	3.62%	3.62%
Less than 1%	14,987,101	16,306,278	907	925	37.47%	40.77%
1% up to less than 10%	9,464,642	8,145,465	9	11	23.66%	20.36%
More than 20%	10,100,000	10,100,000	1	1	25.25%	25.25%
	36,000,000	36,000,000	921	941	90%	90%
Treasury shares	4,000,000	4,000,000	-	-	10%	10%
	<u>40,000,000</u>	<u>40,000,000</u>	<u>921</u>	<u>941</u>	<u>100%</u>	<u>100%</u>

Details of directors' interests in the issued share capital of the Company are as follows:

	Number of shares	
	2024	2023
Abdul Latif Khalid Al Aujan	1,050,757	1,050,757
Adel Salman Kanoo	192,500	192,500
Bashar Mohammed Ali Alhassan	100,000	100,000
Sharif Mohammed Ahmadi	105,000	105,000
	<u>1,448,257</u>	<u>1,448,257</u>

14 Statutory reserve

Under the provisions of the Bahrain Commercial Companies Law, an amount equivalent to 10% of the Company's net profit before appropriations is required to be transferred to a non-distributable reserve account until such time as a minimum of 50% of the issued share capital is set aside. During the year, the Company has incurred a loss, no transfer was made to the statutory reserve for the year ended 31 December 2024 (2023: BDNil). The reserve is not available for distribution except for dividend payment as permitted by Bahrain Commercial Companies Law.

15 Capital reserve

Capital reserve represents the excess of nominal value of the shares over its purchase price of the treasury shares acquired (Note 13).

16 Employees' terminal benefits

Local employees

The contributions made by the Company towards the pension scheme for Bahraini nationals administered by the Social Insurance Organisation in the Kingdom of Bahrain for the year ended 31 December 2024 amounted to BD7,102 (2023: BD4,696).

Expatriate employees

The movement in the leaving indemnity liability applicable to expatriate employees is as follows:

	31 December <u>2024</u>	31 December <u>2023</u>
Opening balance	73,838	69,014
Accruals for the year	12,839	16,124
Payments made during the year	<u>(41,300)</u>	<u>(11,300)</u>
Closing balance	<u>45,377</u>	<u>73,838</u>
The number of staff employed by the Company	<u>56</u>	<u>48</u>

During the year ended 31 December 2024, in accordance with the change in the Social Insurance Organisation ("SIO") regulations made through resolution no. 109 of 2023, effective from 1 March 2024, the employer needs to pay the end-of-service contribution in respect of the expatriate employees registered with SIO and SIO shall disburse the contributed amount to employees on completion of the employment term. The amount accrued by the Company until 29 February 2024, shall be maintained and settled by the Company with the respective employee.

The contributions made by the Company towards the end-of-service gratuity for expatriate nationals administered by the Social Insurance Organisation in the Kingdom of Bahrain for the year ended 31 December 2024 amounted to BD8,571.

17 Trade and other payables

	31 December <u>2024</u>	31 December <u>2023</u>
Trade payables	118,564	100,607
Accruals and other payables	99,228	100,876
Provision for leave salary and air passage	22,217	23,337
Amounts due to related parties (Note 26)	<u>17,257</u>	<u>8,945</u>
	<u>257,266</u>	<u>233,765</u>

Trade payables are denominated in Bahraini Dinars and are normally settled within 60 days of the suppliers' invoice date.

Amounts due to related parties are unsecured, bear no interest and have no fixed repayment terms.

In the opinion of the Company's management, the fair values of the trade and other payables approximate their carrying values.

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18 Lease liabilities	<u>31 December 2024</u>	<u>31 December 2023</u>
Opening balance	389,853	253,236
Additions	304,110	283,988
Interest expenses	35,449	15,929
Lease termination	(20,388)	-
Lease payments	<u>(182,941)</u>	<u>(163,300)</u>
Closing balance	526,083	389,853
Less: current portion of lease liabilities	<u>(164,228)</u>	<u>(127,935)</u>
Non-current portion of lease liabilities	<u>361,855</u>	<u>261,918</u>
 Maturity analysis - contractual undiscounted cash flows:		
	<u>31 December 2024</u>	<u>31 December 2023</u>
One year or less	196,260	145,500
More than one year and less than five years	<u>403,720</u>	<u>283,900</u>
Total undiscounted lease	<u>599,980</u>	<u>429,400</u>
 19 Operating income		
	<u>Year ended 31 December 2024</u>	<u>Year ended 31 December 2023</u>
Food sales	798,807	594,828
Beverage sales	509,945	531,787
Service charges	<u>49,228</u>	<u>56,101</u>
	<u>1,357,980</u>	<u>1,182,716</u>
 20 Operating costs		
	<u>Year ended 31 December 2024</u>	<u>Year ended 31 December 2023</u>
Staff costs	346,419	292,578
Food costs	421,725	249,580
Beverages costs	146,713	159,185
Amortisation of right-of-use assets (Note 7)	153,282	145,799
Depreciation of property, plant and equipment (Note 5)	15,635	40,173
Other operating costs	<u>183,453</u>	<u>187,327</u>
	<u>1,267,227</u>	<u>1,074,642</u>
 21 General and administrative expenses		
	<u>Year ended 31 December 2024</u>	<u>Year ended 31 December 2023</u>
Staff costs	67,485	61,838
Other expenses	38,930	62,708
Loss on disposal of property, plant and equipment	13,788	-
Loss on property, plant and equipment write-off (Note 5)	2,706	-
Loss on intangible assets write-off (Note 6)	3,780	-
Amortisation of right-of-use assets (Note 7)	4,643	-
Amortisation of intangible assets (Note 6)	831	5,586
Depreciation of property, plant and equipment (Note 5)	<u>664</u>	<u>373</u>
	<u>132,827</u>	<u>130,505</u>

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22 (a) Losses on investment, net

	Year ended 31 December 2024	Year ended 31 December 2023
Unrealised fair value loss on financial assets at fair value through profit or loss (Note 8)	(248,682)	(392,029)
Dividend income	<u>62,378</u>	<u>62,333</u>
	<u>(186,304)</u>	<u>(329,696)</u>

(b) Other income

	Year ended 31 December 2024	Year ended 31 December 2023
Interest income	20,013	20,170
Liability no longer payable written back	16,700	6,175
Gain on lease termination	127	-
Gain on sale of property, plant and equipment	-	1,281
Miscellaneous income	<u>952</u>	<u>3,223</u>
	<u>37,792</u>	<u>30,849</u>

23 Basic and diluted loss per share

Basic and diluted loss per share is calculated by dividing the net loss attributable to the shareholders by the weighted average number of ordinary shares in issue during the year, excluding the treasury shares purchased and held by the Company.

	Year ended 31 December 2024	Year ended 31 December 2023
Net loss attributable to the shareholders	<u>(270,602)</u>	<u>(378,766)</u>
Weighted average number of ordinary shares	<u>36,000,000</u>	<u>36,000,000</u>
Basic and diluted loss per share	<u>Fils (7.52)</u>	<u>Fils (10.52)</u>

The Company does not have any potentially dilutive ordinary shares. Accordingly, the diluted loss per share and basic loss per share are identical.

24 Dividend

Declared and paid

No dividend was paid to the shareholders during the year (2023: BDNil).

Proposed by the Board of Directors

The Board of Directors do not propose to pay any further dividends to the shareholders for the year ended 31 December 2024 (2023: BDNil).

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25 Commitments and contingent liabilities

At 31 December 2024, there were no contingent liabilities and commitments arising during the course of business. (2023: BDNil)

26 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, directors, key management personnel and their close family members and such other companies over which the Company or its major shareholders, 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.

Transactions with related parties are as follows:

<u>Related party</u>	<u>Related party relationship</u>	<u>Type of transaction</u>	<u>Year ended 31 December 2024</u>	<u>Year ended 31 December 2023</u>
Directors	Directors	Attendance fees for attending board meetings	39,250	36,950
Key management personnel*	Key management personnel	Salaries and other short-term benefits	69,501	47,025
Gulf Hotels Group B.S.C.	Shareholder	AGM meeting hall rent etc. Staff expenses Food & Beverage supply	686 717 266,835	1,214 659 163,403
Gulf Hotel Al Dana Resort W.L.L.	Common shareholder	Food & Beverage supply	69,819	-
Bahrain Tourism Company - Crowne Plaza Bahrain W.L.L.	Common shareholder	Food & Beverage supply Rent expense	50,458 47,803	- -
Abdul Latif Al Aujan Food International	Common shareholder	Purchase of food items	62,585	40,948
African & Eastern (Bahrain) W.L.L.	Common shareholder	Purchase of beverages Supply of kitchen equipment	3,741 22,849	6,747 -
Bahrain Gas W.L.L.	Common shareholder	Purchase of cooking gas	3,787	4,235

* Key management personnel are those staff members who have authority and responsibility for planning, directing and controlling the activities of the Company.

26 Transactions and balances with related parties (continued)

A summary of related party balances is as follows:

	<u>Related party relationship</u>	<u>31 December 2024</u>	<u>31 December 2023</u>
<i>Amounts due from related parties (Note 10)</i>			
Bahrain Tourism Company- Crowne Plaza Bahrain W.L.L.	Common Shareholder	13,603	-
Gulf Hotels Al Dana Resort W.L.L.	Common Shareholder	20,637	-
Gulf Hotels Group B.S.C.	Shareholder	<u>49,892</u>	<u>40,260</u>
		<u>84,132</u>	<u>40,260</u>
<i>Amounts due to related parties (Note 17)</i>			
Abdul Latif Al Aujan Food International	Common Shareholder	11,876	7,700
Bahrain Gas W.L.L.	Common Shareholder	4,978	-
African & Eastern (Bahrain) W.L.L.	Common Shareholder	403	586
Gulf Hotels Group B.S.C.	Shareholder	<u>-</u>	<u>659</u>
		<u>17,257</u>	<u>8,945</u>

27 Segmental information

The Company's activities are restricted to operating restaurants and catering assignments which are subject to similar risks and returns. The Company also owns certain investments. The ownership and returns on these investments do not form separate financial segments, hence no business segmental information has been presented.

The Company operates only in the Kingdom of Bahrain and, hence, no geographical information is presented in these financial statements.

28 Financial assets and liabilities and risk management

Financial assets and liabilities carried on the statement of financial position include term deposits cash and cash equivalents, trade and other receivables, financial assets at fair value through profit or loss, lease liabilities and trade and other payables. The specific recognition methods adopted are disclosed in the individual policy statements associated with each item.

Capital management

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholders' value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies and processes during the years ended 31 December 2024 and 2023.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, lease liabilities, trade and other payables less term deposits and cash and cash equivalents. Capital includes capital and reserves attributable to the shareholders of the Company.

28 Financial assets and liabilities and risk management (continued)

Capital management (continued)

	31 December 2024	31 December 2023
Lease liabilities	526,083	389,853
Trade and other payables	257,266	233,765
Less: Term deposits	(250,000)	(350,000)
Less: Cash and cash equivalents	<u>(189,820)</u>	<u>(173,471)</u>
Net debt	<u>343,529</u>	<u>100,147</u>
Total capital	<u>1,102,691</u>	<u>1,373,293</u>
Capital and net debt	<u>1,446,220</u>	<u>1,473,440</u>
Gearing ratio	<u>23.75%</u>	<u>6.80%</u>

Risk management is carried out by the Board of Directors, which has overall responsibility for the Company and oversight of the Company's risk management framework and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Board receives monthly reports from the Company's Financial Controller through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The Board provides principles for overall risk management, as well as policies covering specific areas, such as credit risk, interest risk, price risk, foreign exchange risk and liquidity risk.

Credit risk is the risk that one party will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk arises from cash and cash equivalents and credit exposures to customers, including outstanding receivables. For banks and financial institutions only independent parties with a minimum rating of 'A' are accepted. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss is immaterial. The risk management policy relating to trade and other receivables is provided in Note 10.

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company's call accounts earn fixed rates of interest. The negotiation only occurs when the fixed deposits are renewed on maturity. The Company's other assets and liabilities in the opinion of the management are not sensitive to interest rate risk.

The sensitivity of the statement of profit or loss and other comprehensive income due to the effect of reasonably possible changes in interest rates, with all other variables held constant, is not estimated to be significant by management.

Currency rate risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's foreign currency transactions are predominantly in United States Dollars which is effectively pegged to the Bahrain Dinars. Accordingly, the management does not consider the Company to have a significant currency rate risk.

Liquidity risk, also referred to as funding risk, is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The Company's management monitors liquidity requirements on a regular basis to help ensure that sufficient funds are available to meet all liabilities as they fall due.

28 Financial assets and liabilities and risk management (continued)

Price risk is the risk that the Company is exposed to investments held and classified on the statement of financial position as financial assets at fair value through profit or loss. The Company is not significantly exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

Investment fair value sensitivity analysis designated in the statement of financial position as financial assets at fair value through profit or loss is as follows:

<u>Description</u>	<u>Change</u>	<u>Impact on profits</u>
Financial assets at fair value through profit or loss	+/-5%	+/- 37,560
Financial assets at fair value through profit or loss	+/-10%	+/- 75,120

Fair value is the amount 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 not measured at fair value on recurring basis include trade and other receivables, cash and cash equivalents, term deposits, lease liabilities and trade and other payables. In the opinion of the management, due to the short-term nature of these financial instruments, the fair value of these financial instruments is not significantly different from their carrying amounts as at 31 December 2024.

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28 Financial assets and liabilities and risk management (continued)

The following table sets out the fair value hierarchy of financial instruments measured at fair value on recurring basis along with valuation techniques and significant unobservable inputs used in determining the fair value measurement of financial instruments as well as the inter-relationship between unobservable inputs and fair value:

	<u>Fair value at 31 December 2024</u>	<u>Level of hierarchy</u>	<u>Valuation technique used and key inputs</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between unobservable inputs and fair value</u>
<i>Financial assets</i>					
Quoted: Fair value through profit or loss	751,196 (2023: 999,878)	L1	Quoted prices from stock exchanges	Not applicable	Not applicable

There were no transfers between levels during the years 2024 and 2023.

29 Going concern

The Company has incurred a net loss of BD270,602 for the year ended 31 December 2024 and its accumulated losses aggregated to BD3,360,481 resulting in significant erosion of the share capital of the Company as at 31 December 2024. These factors raise substantial doubt about the Company's ability to continue to operate as a going concern. The management has noted that the major portion of the current period's accumulated losses are derived from unrealised investment fair valuation losses and not operational losses. Therefore, in the opinion of the management the Company has adequate liquidity position to continue its operation in the normal course of business. However, these financial statements have been prepared on a going concern basis as the Company's management is in the process of assessing all the available options with respect to Company's liquidity position and going concern. Further, in the opinion of the management, the Company has a sufficient liquidity which can meet its liabilities for the next twelve-month period from the date of statement of financial position and the Company is expected to continue its operations in the normal course.

30 Subsequent events

On 25 November 2024, the Company entered into a conditional agreement with Dividend Gate Capital (DGC) for proposed consolidation with Truffle (the food and beverage subsidiary of DGC). The transaction will be carried out through a share swap with the Company issuing new shares equating to 58% of its share capital being transferred to Truffle's shareholders in exchange for 100% of Truffle's shares, and Truffle will then become a wholly owned subsidiary of the Company. The Company is currently in the process of appointing third-party advisors to undertake the due diligence process, upon which the conditional agreement is contingent.

The proposed transaction is subject to shareholder and regulatory approvals. The Company will disclose any relevant developments on this matter, as required, on a prompt ongoing basis, to ensure transparency and to comply with governing laws and regulations.

The Company has evaluated the potential impact of the above and determined that it does not affect the recognition or measurement of the Company's assets and liabilities as at 31 December 2024. Therefore, no adjustments have been made to these financial statements.

31 DMTT and GloBE Rules Impact

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

As per the Company's preliminary assessment, it has concluded that it is not in scope for the Bahrain DMTT law or the GloBE rules as:

- it is not an MNE group as it only operates in Bahrain; and/or
- it does not have total annual consolidated revenue exceeding EUR 750 million in at least two of the four preceding fiscal years.

Accordingly, it does not expect to be subject to the Bahrain DMTT law and GloBE rules for the next fiscal year.

32 Comparative figures

Certain comparative figures of the previous year have been reclassified, wherever necessary, to conform to the current year's presentation. Such regrouping does not affect net worth or net profit for the previous year.

APPENDIX VI — OFFEROR PARTNERS

S.No	SELLER PARTNER NAME	% of ownership in BFLC	No. of Shares in BFLC
1.	Ahmed Abdulaziz Ahmed Buhajeeh	0.099%	23,673
2.	Ahmed Mohamed Al Jaber	0.099%	23,673
3.	Khalid Abdulaziz Ahmed Buhajeeh	0.099%	23,673
4.	Abdullatif Khaled Abdullatif Mohamed Deen	0.199	47,347
5.	Alaa Ali Moosa Shafiee	0.199%	47,347
6.	Ali Mohamed Ali Abdulla Karimi	0.199%	47,347
7.	Aysha Khalid Ebrahim Al Awadhi	0.199%	47,347
8.	Mohamed Ali Mohamed Safar	0.199%	47,347
9.	Nasser Fahad Nasser Al Hazzani	0.199%	47,347
10.	Rashed Khaled Abdulwahab Al Khan	0.199%	47,347
11.	Yusuf Adel Yusuf Hasan Yusuf Sater	0.199%	47,347
12.	Abdulrahim Abdulrahman Al Ghareeb	0.199%	47,347
13.	Faisal Engineer (F&T Trading Company)	0.249%	59,184
14.	Zaid Khaled Engineer	0.249%	59,184
15.	Talal Ebrahim Mohamed Al Sindi	0.378%	89,959
16.	Abdulaziz Ahmed Abdulaziz Buhajee	0.398%	94,694
17.	Abdulrahman Mohamed Ebrahim Ahmed Al Malki	0.398%	94,694
18.	Ahmed Abdulla Fakhroo	0.398%	94,694
19.	EHE Consulting W.L.L.	0.398%	94,694
20.	Khalid Abdulbari Abdulghaffar	0.398%	94,694
21.	Khalil Ismaeel Khalil Al Meer	0.398%	94,694
22.	Ten Five Twenty-One Ventures W.L.L.	0.398%	94,694
23.	Abdulhameed Ahmed Juma Mohamed Juma	0.597%	142,041
24.	Ahmed Tawfiq Hasan Salehi	0.597%	142,041
25.	Dr. Khalil Ebrahim Hassan Ras Romani	0.597%	142,041
26.	Olayan Mohamed Bin Wetaid	0.597%	142,041
27.	Yousif Abdulla	0.597%	142,041
28.	Hussain AbdulAzizIsmael	0.792%	173,605
29.	Nasser Ismael	0.792%	173,605
30.	Gerard Glintmeijer	0.895%	213,061
31.	Bader Al Shabaan	0.895%	213,061
32.	Abdulaziz Fahad Nasser Al Hazzani	1.094%	260,408
33.	Abdulla Ali Fadhul Mohana AL Noaimi	1.392%	331,429
34.	Khalid Hamad Al Yahya	1.392%	331,429
35.	Mohammed Khalil Mohammed Ameen AL Khaja	1.392%	331,429
36.	Mohamed Mansour	1.657%	394,558
37.	Loay Ahmed AL Zamel	2.187%	520,816
38.	Jameel Al Matrook Co. W.L.L.	2.784%	662,857
39.	Dividend Gate Capital	34.124%	8,124,734
		58.000%	13,809,524