



**Gulf Hotels Group B.S.C. announces its financial results for the period of Twelve-months ended 31<sup>st</sup> Dec 2020.**

Gulf Hotels Group B.S.C. (GHG) announces its Twelve-months financial results for the period ended 31<sup>st</sup> Dec 2020

Company has achieved the following, during the Fourth Quarter of 2020:

Net Loss of BD 3.446 compared to a profit of BD 1.733 million in the fourth quarter of the previous year, with a decrease of 5.180 million.

Loss per shares is 15 fils compared to earnings of 7 fils in the fourth quarter of last year.

Total comprehensive loss of BD 2.940 Million, compared to a profit of BD 1.764 Million for the fourth quarter of the previous year, with a decrease of BD 4.704 Million.

Gross Profit of BD 2.058 Million, compared to BD 4.873 Million for the same period in last year, with a decrease of BD 2.815 Million or 57.75%.

Revenue of fourth-quarter BD 4.938 Million, compared to BD 10.455 Million for the same period in last year, with a decrease of BD 5.517 million or 52.77 %.

The decrease in the net profit for the fourth quarter in comparison to the same period last year resulted mainly from decreases in revenue due to various restrictions introduced to combat the spread of Covid-19 that have had an impact on the hospitality industry in general and have limited the normal operation of the Group's hotels, restaurants, catering and ancillary services, besides the significant decrease in room rates locally and



regionally. Additionally, the Group has impaired BD 2.749M from its property portfolio in Bahrain and Dubai. Doubtful debts provision increased by BD 189K. The decrease in Net operating Profit is also impacted by the drop in Profit from Associates by BD 245K and a Management fees reduction of BD 35K. These shortfalls were offset by Government support which reached BD 265K.

Year to date the company has achieved:

Net Loss of BD 8.127 million compared to a profit of BD 5.950 million in the same period of the previous year, with a decrease of BD 14.079 million.

Loss per shares is 36 fils compared to earnings of 26 fils in last year.

Total comprehensive loss of BD 8.381 Million, compared to BD 8.070 Million for the same period in the previous year, with a decrease of BD 16.452 Million.

The total equity (excluding minority interests) for the year was BD 100.622 Million compared to BD 114.979 Million in last year, with a decrease of 14.357 million or 12.48 %.

The total assets for the YTD reached BD 118.780 Million compared to BD 136.727 Million in the previous year, with a decrease of 17.946 million or 13.13 %.

Gross Profit of BD 7.430 Million, compared to BD 17.191 Million for the same period in last year, with a decrease of BD 9.760 Million or 56.78%.

Revenue of BD 19.736 Million, compared to BD 38.570 Million for the same period in last year, with a decrease of BD 18.834 million or 48.83 %.



The decrease in the net profit for the year compared to the same period last year can also be attributed to measures taken to combat the spread of Covid-19. In addition, the company has recorded impairment for properties of BD 5.065 million, also doubtful debts provisions on trade receivables of BD 608K; losses from associates against last year increased by BD 954K. Earned dividends reduced compared to last year by BD 185K and, management fees reduced by BD 385K. These decreases were partially offset by the Government's assistance of BD 923K.

The Chairman, Mr. Farouk Almoayyed expressed gratitude for the generous government support program. He stated that, "Regardless of the impact on the Company's financial performance, the Group's priority remains to support the government's fight against Covid-19 and the health and safety of our customers and staff". He further reiterated that "Whilst the impact of the pandemic on the Company's result has been significant, the tremendous efforts of the Board and the Group's management in reducing costs has ensured a positive result before depreciation and impairment".

Adding to comments of the Chairman, CEO Garfield Jones stated "Whilst the concentration of the management team has been on efforts to reduce costs, we have also been working on the development of the new transit hotel within Bahrain International Airport. The project is nearing completion and the new 'Bahrain Airport Hotel', consisting of 84 rooms and sleeping pods, fully open in February 2021". He further added "In addition to a spa, salon and passenger massage area, the hotel will offer luxurious family sized rooms, state-of-the-art compact rooms and 24 sleeping pods".

Mr Jones further added that with the reopening of restaurants in October 2020, the Gulf Hotel was finally able to open the new outdoor, rooftop terrace of 'Fusions by Tala' which was completed back in March but was unable to open due to restrictions. The new terrace, with stunning views



over the Manama skyline, is overseen by the Hotel's talented Bahraini chef, Tala Bashmi.

The full set of financial statements and the press release are available on Bahrain Bourse's website.