

APM Terminals Bahrain B.S.C.
CONDENSED INTERIM FINANCIAL INFORMATION
30 JUNE 2021

APM Terminals Bahrain B.S.C.

CONDENSED INTERIM FINANCIAL INFORMATION
For the six months ended 30 June 2021

CONTENTS	Page
Independent auditors' report on review of condensed interim financial information	1
Condensed Interim Financial Information	
Condensed interim statement of financial position	2
Condensed interim statement of profit or loss and other comprehensive income	3
Condensed interim statement of changes in equity	4
Condensed interim statement of cash flows	5
Notes to the condensed interim financial information	6 - 12
Unreviewed Supplementary Information	
Financial Impact of COVID-19	13



Independent auditors' review report to the Board of Directors of APM Terminals Bahrain B.S.C.

Introduction

We have reviewed the accompanying condensed interim statement of financial position of APM Terminals Bahrain B.S.C. (the "Company") as at 30 June 2021 and the related condensed interim statement of profit or loss and other comprehensive income for the three month and six month periods and the related condensed interim statements of changes in equity and cash flows for the six month period then ended and significant accounting policies and other explanatory notes (on pages 2 to 12). The Board of Directors of the Company is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting" as issued by the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information (on pages 2 to 12) is not prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting" as issued by the IASB.

A handwritten signature in blue ink that reads "PricewaterhouseCoopers".

PricewaterhouseCoopers M.E Limited
Partner's registration number: 255
Manama, Kingdom of Bahrain
5 August 2021

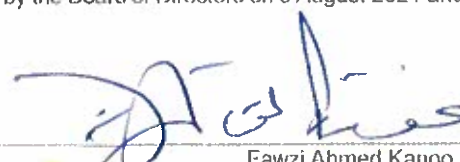
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
As at 30 June 2021

BD 000's

	Note	30 June 2021 (reviewed)	31 December 2020 (audited)
ASSETS			
Intangible assets		4,963	5,158
Equipment and vehicles		22,126	22,996
Total non-current assets		27,089	28,154
Inventories		476	344
Trade receivables		1,764	1,568
Other receivables and prepayments		1,022	431
Due from related parties	4	841	1,174
Balances with Group Treasury	4	18,418	29,106
Cash and cash equivalents		2,633	1,184
Total current assets		25,154	33,807
Total assets		52,243	61,961
EQUITY AND LIABILITIES			
Equity			
Share capital		9,000	9,000
Statutory reserve		4,500	4,500
Retained earnings		4,396	13,662
Total equity		17,896	27,162
Liabilities			
Lease liabilities		24,516	25,276
Employee leaving indemnities		705	680
Total non-current liabilities		25,221	25,956
Trade and other payables		7,222	7,245
Due to related parties	4	529	376
Lease liabilities		1,375	1,222
Total current liabilities		9,126	8,843
Total liabilities		34,347	34,799
Total equity and liabilities		52,243	61,961

The condensed interim financial information was approved by the Board of Directors on 5 August 2021 and signed on its behalf by:


David Sköv
Chairman


Fawzi Ahmed Kanoo
Vice Chairman

The accompanying notes 1 to 15 are an integral part of this condensed interim financial information.

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the three months and six months ended 30 June 2021 BD 000's

	Note	For the six months ended		For the three months ended	
		30 June 2021 (reviewed)	30 June 2020 (reviewed)	30 June 2021 (reviewed)	30 June 2020 (reviewed)
Revenue	5	19,709	21,110	10,018	10,982
Direct operating expenses	6	(6,245)	(6,820)	(3,242)	(3,475)
Gross profit		13,464	14,290	6,776	7,507
Other operating income		39	31	20	15
Gain on disposal of equipment and vehicles		9	1	-	-
Other operating expenses	7	(6,252)	(5,786)	(3,171)	(3,016)
General and administrative expenses	8	(2,181)	(1,819)	(1,157)	(876)
Net impairment (losses)/reversal on trade receivables		(25)	5	(17)	22
Operating profit		5,054	6,722	2,451	3,652
Finance income		248	282	101	163
Finance expense		(906)	(900)	(441)	(447)
Net finance costs		(658)	(618)	(340)	(284)
Other income		-	803	-	803
Profit for the period		4,396	6,907	2,111	4,171
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		4,396	6,907	2,111	4,171
Earnings per share					
Basic and diluted earnings per share (in fils)	14	49	77	23	46

The accompanying notes 1 to 15 form an integral part of this condensed interim financial information.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**For the six months ended 30 June 2021**

BD 000's

2021 (reviewed)	Share capital	Statutory reserve	Retained earnings	Total
At 1 January 2021	9,000	4,500	13,662	27,162
Total comprehensive income for the period	-	-	4,396	4,396
Transactions with the owners of the Company				
Cash dividend declared for 2020 (Note 11)	-	-	(13,662)	(13,662)
At 30 June 2021	9,000	4,500	4,396	17,896

2020 (reviewed)	Share capital	Statutory reserve	Retained earnings	Total
At 1 January 2020	9,000	4,500	10,161	23,661
Total comprehensive income for the period	-	-	6,907	6,907
Transactions with the owners of the Company				
Cash dividend declared for 2019 (Note 11)	-	-	(10,161)	(10,161)
At 30 June 2020	9,000	4,500	6,907	20,407

The accompanying notes 1 to 15 form an integral part of this condensed interim financial information.

CONDENSED INTERIM STATEMENT OF CASH FLOWS
For the six months ended 30 June 2021

BD 000's

	30 June 2021 (reviewed)	30 June 2020 (reviewed)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	4,396	6,907
<i>Adjustments for:</i>		
Depreciation	1,159	1,059
Amortisation	195	197
Finance expense	906	900
Gain on sale of equipment and vehicles	(9)	(1)
Allowance for/(reversal of) impairment on trade receivables	25	(5)
Provision for/(reversal of) impairment of inventories	2	(7)
Finance income	(248)	(282)
Employee leaving indemnities – charge	78	80
<i>Changes in:</i>		
- Inventories	(134)	(30)
- Trade receivables	(221)	(106)
- Other receivables and prepayments	(591)	(522)
- Due from related parties	337	(436)
- Trade and other payables	(52)	557
- Due to related parties	165	(5)
Employee leaving indemnities – paid	(53)	(9)
Net cash generated from operating activities	5,955	8,297
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment and vehicles	(141)	(309)
Proceeds from maturity of placements with Group Treasury	14,362	7,853
Placements with Group Treasury	(3,430)	(1,798)
Proceeds from disposal of equipment and vehicles	9	1
Net cash generated from investing activities	10,800	5,747
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of finance expense	(889)	(903)
Payment of lease liabilities	(755)	(640)
Dividend paid	(13,662)	(10,132)
Net cash used in financing activities	(15,306)	(11,675)
Net increase in cash and cash equivalents during the period	1,449	2,369
Cash and cash equivalents at the beginning of the period	1,184	3,109
Cash and cash equivalents at end of the period	2,633	5,478

Non-cash activities include additions to right-of-use assets and lease liabilities of BHD 148 (2020: BHD nil).

The accompanying notes 1 to 15 form an integral part of this condensed interim financial information.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
For the six months ended 30 June 2021

BD 000's

1 REPORTING ENTITY

APM Terminals Bahrain B.S.C (the "Company") is a joint stock company incorporated in the Kingdom of Bahrain on 11 May 2006 under Commercial Registration (CR) number 60982 issued by the Ministry of Industry and Commerce. The Company is a subsidiary of APM Terminals B.V. (the "Parent Company"), a Dutch company. Maersk Holding B.V, Rotterdam is the ultimate parent company of the Group. The Company operates the Khalifa Bin Salman Port.

2 BASIS OF PREPARATION**a) Statement of compliance**

This condensed interim financial information has been prepared in accordance with IAS 34, "*Interim Financial Reporting*", and should be read in conjunction with the Company's last audited financial statements as at and for the year ended 31 December 2020 ('last annual financial statements'), which have been prepared in accordance with International Financial Reporting Standards (IFRSs). This condensed interim financial information does not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements as at and for the year ended 31 December 2020.

The condensed interim financial information is reviewed, not audited. The comparatives for the condensed interim statement of financial position have been extracted from the audited financial statements for the year ended 31 December 2020. The comparatives for condensed interim statements of profit or loss and other comprehensive income, cash flows and changes in equity have been extracted from the reviewed condensed interim financial information for the six month period ended 30 June 2020.

For further information, refer to the annual audited financial statements of the Company and notes thereto for the year ended 31 December 2020.

b) Use of judgements and estimates

Preparing the condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the condensed interim financial information, significant judgments made by the management in applying the accounting policies and key source of estimation of uncertainty were the same as those applied to the audited financial statements as at and for the year ended 31 December 2020.

c) Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited financial statements for the year ended 31 December 2020.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in this condensed interim financial information are the same as those applied in the Company's audited financial statements as at and for the year ended 31 December 2020 unless otherwise stated.

New Standards, Amendment to Standards and Interpretations:

There are no new standards issued, however, there are number of amendments to standards which are effective from 1 January 2021 and has been explained in the audited financial statements for the year ended 31 December 2020, but they do not have a material effect on the Company's condensed interim financial information.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
For the six months ended 30 June 2021

BD 000's

4 RELATED PARTY TRANSACTIONS

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 entities over which the Company exercises significant influence, major shareholders, directors and key management personnel of the Company. Transactions with related parties are at contractually agreed terms. The significant related party balances and transactions (excluding compensation to key management personnel) included in this condensed interim financial information are as follows:

Description	Parent/ Group company	Other related parties	Total
As at 30 June 2021 (reviewed)			
<u>Current assets</u>			
<i>Due from related parties</i>			
Trade receivables	226	391	617
Interest receivable on deposits	224	-	224
	450	391	841
Balances with Group Treasury	18,418	-	18,418
<u>Non-current liability</u>			
<i>Due to related parties</i>			
Non-current portion of lease liabilities	17,101	95	17,196
<u>Current liabilities</u>			
Trade payables	-	1	1
Other payables	8	-	8
Accrued expenses	444	3	447
Management fee payable	25	-	25
Board remuneration payable	16	32	48
	493	36	529
Current portion of lease liabilities	984	28	1,012

The Company has maintained balances with Group Treasury pursuant to the technical services agreement whereby the Company is able to place funds with the Group Treasury and earn an average interest rate of 2.01% p.a. (2020: 2.46% p.a.).

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
For the six months ended 30 June 2021

BD 000's

4 RELATED PARTY TRANSACTIONS (continued)

Description	Parent/ Group company	Other related parties	Total
For the six months ended 30 June 2021 (reviewed)			
<u>Income</u>			
Revenue	1,300	3,193	4,493
Finance income	243	-	243
	1,543	3,193	4,736
<u>Expenses</u>			
Subcontracting charges (including leases)	(1,676)	-	(1,676)
Management and administration fee	(173)	-	(173)
Computer expenses	(199)	-	(199)
Maintenance and repairs	-	(12)	(12)
Board remuneration	(16)	(32)	(48)
Other expenses	(60)	(127)	(187)
	(2,124)	(171)	(2,295)

Lease rental of BD 996 thousand to a Group company and BD 16 thousand to other shareholders is accounted in the condensed interim financial information in line with IFRS 16, as right of use assets.

Description	Parent/ Group company	Other related parties	Total
As at 31 December 2020			
<u>Current assets</u>			
<i>Due from related parties</i>			
Trade receivable	478	475	953
Interest receivable	220	-	220
Other receivables	1	-	1
	699	475	1,174
Balances with Group Treasury	29,106	-	29,106
<u>Non-current liability</u>			
<i>Due to related parties</i>			
Non-current portion of lease liabilities	17,595	109	17,704
<u>Current liabilities</u>			
Other payable	15	1	16
Accrued expenses	323	12	335
Management fee payable	25	-	25
	363	13	376
Current portion of lease liabilities	956	27	983

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
For the six months ended 30 June 2021

BD 000's

4 RELATED PARTY TRANSACTIONS (continued)

Description	Parent/ Group company	Other related parties	Total
For the six months ended 30 June 2020 (reviewed)			
<u>Income</u>			
Revenue	1,729	3,787	5,516
Finance income	253	-	253
	1,982	3,787	5,769
<u>Expenses</u>			
Subcontracting charges	(1,666)	-	(1,666)
Management and administration fee	(181)	-	(181)
Computer expenses	(123)	-	(123)
Maintenance and repairs	(2)	(45)	(47)
Board remuneration	(17)	(15)	(32)
Other expenses	(7)	(21)	(28)
	(1,996)	(81)	(2,077)

Lease rental of BD 991 thousand to a Group company is accounted in the condensed interim financial information in line with IFRS 16, as right of use assets.

Other related party transactions for the six months ended 30 June

Description	Parent/ Group company		Other related parties		Total	
	2021	2020	2021	2020	2021	2020
Purchase of inventories	-	-	12	45	12	45

Key management personnel

Key management personnel of the Company comprise of the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Company. The key management personnel compensation is as follows:

	30 June 2021 (reviewed)	30 June 2020 (reviewed)
Salaries and other short-term benefits	531	397
Post-employment benefits	25	16
Board remuneration	48	32
Post-employment benefits payable	29	58

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2021

BD 000's

5 REVENUE	30 June 2021 (reviewed)	30 June 2020 (reviewed)
Container services	8,192	9,584
General cargo services	6,943	7,807
Marine services	4,574	3,719
	19,709	21,110
6 DIRECT OPERATING EXPENSES	30 June 2021 (reviewed)	30 June 2020 (reviewed)
Salaries and related costs	2,457	2,678
Subcontracting charges	1,387	1,644
Depreciation	1,159	1,059
Fuel and electricity	573	729
Maintenance and repairs	417	513
Operating leases charges	134	91
Customs duty and freight charges	37	23
Provision for/(reversal of) impairment of inventories	2	(7)
Other expenses	79	90
	6,245	6,820
7 OTHER OPERATING EXPENSES	30 June 2021 (reviewed)	30 June 2020 (reviewed)
Royalty to Government of Kingdom of Bahrain	6,057	5,589
Amortisation of intangible asset	195	197
	6,252	5,786
8 GENERAL AND ADMINISTRATIVE EXPENSES	30 June 2021 (reviewed)	30 June 2020 (reviewed)
Salaries and related costs	1,178	1,088
Computer expenses	255	145
Management and administration fee	173	181
Security costs	111	108
Subcontracting charges	68	57
Office expenses	45	68
Legal and professional charges	41	28
COVID-19 related expenses	38	24
Communication expenses	15	12
Training expenses	15	5
Travel expenses	-	8
Other expenses	242	95
	2,181	1,819

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
For the six months ended 30 June 2021

BD 000's

9 SEGMENTAL REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker of the Company. Chief Executive Officer and Chief Financial Officer of the Company are the chief operating decision makers. The Company operates only in one Business Segment i.e. 'Port Services' which primarily includes services such as Container services, General Cargo services and Marine services and the activities incidental thereto within Bahrain. The revenue, expenses and results are reviewed only at Company level and therefore no separate operating segment results and disclosures are provided in this condensed interim financial information.

10 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measures:

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Company has not disclosed the fair value for financial instruments such as short-term trade and other receivables, trade and other payables, deposits and cash and bank balances, because their carrying amounts are a reasonable approximation of fair values, due to their short-term nature.

The Company's financial assets and financial liabilities are all classified under the amortised cost category. Derivatives financial instruments measured at fair value through profit and loss ("FVTPL") were Level 2 as per the hierarchy (Refer to note 12).

11 APPROPRIATIONS

At the Annual General Meeting of the Company held on 25 March 2021, final dividend of BD 13,662 thousand was approved for 2020 which have been effected during the period (final dividend of BD 10,161 thousand was approved for 2019).

Appropriations for the current year, if any, will be made only at the year end.

12 DERIVATIVES

The Company has entered into foreign currency forward and swap contracts with a bank with nominal value of BD 26,503 thousand (31 December 2020: BD 29,271 thousand) maturing within one year. Fair value loss on derivatives for the period amounted to BD 17 thousand (30 June 2020 gain: BD 55 thousand) and is included under finance expenses in the profit or loss.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
For the six months ended 30 June 2021

BD 000's

13 SEASONALITY

The Company does not have income of seasonal nature.

14 EARNINGS PER SHARE

Earnings per share is calculated by dividing the profit attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period excluding the average number of ordinary shares purchased by the Company and held as treasury shares, if any, as follows:

	30 June 2021 (reviewed)	30 June 2020 (reviewed)
Profit for the period (BD 000's)	4,396	6,907
Weighted average number of shares (000's)	90,000	90,000
Basic and diluted earnings per share (fils)	49	77

15 IMPACT OF COVID 19

On 11 March 2020, the Coronavirus (COVID 19) outbreak was declared a pandemic by the World Health Organization (WHO) and has rapidly evolved globally. COVID-19 has also brought about significant uncertainties in the global economic environment. Authorities have taken various measures to contain the spread including implementation of travel restrictions and quarantine measures.

The management has been closely monitoring the impact of the COVID-19 developments on the Company's operations and financial position; including possible loss of revenue, impairment, outsourcing arrangements etc. The Company has also put in place contingency measures, which include but are not limited to enhancing and testing of business continuity plans. Based on its assessment, the management has concluded that the Company will continue as a going concern entity for the next 12 months.

In preparing the condensed interim financial information, judgements made by management in applying the Company's accounting policies and sources of estimation are subject to uncertainty regarding the potential impacts of the current economic volatility and these are considered to represent management's best assessment based on available or observable information.

Unreviewed Supplementary Information – Reporting on Financial Impact of COVID-19

Financial impact of COVID-19

On 11 March 2020, the Coronavirus (COVID-19) outbreak was declared a pandemic by the World Health Organization (WHO) and has rapidly evolved globally. COVID-19 has also brought about significant uncertainties in the global economic environment. Authorities have taken various measures to contain the spread including implementation of travel restrictions and quarantine measures.

The management has been closely monitoring the impact of the COVID-19 developments on the Company's operations and financial position; including possible loss of revenue, impairment, outsourcing arrangements etc. The Company has also put in place contingency measures, which include but are not limited to enhancing and testing of business continuity plans. Based on its assessment, the management has concluded that the Company will continue as a going concern entity for the next 12 months.

A summary of the financial impact of the above effects is as follows:

Expenses - The Company has incurred additional expenses worth of BD 38 thousand related to COVID-19 measures during the period ended 30 June 2021.

The above supplementary information is provided to comply with the CBB circular number OG/259/2020 dated 14 July 2020. This information should not be relied upon for any other purposes. Since the situation of COVID-19 is uncertain and still evolving, the above impact is as of the date of preparation of this information. Circumstances may change which may result in this information to be out-of-date. In addition, this information does not represent a full comprehensive assessment of COVID-19 impact on the Company. This information has not been subject to a formal audit or review by the external auditors.