

APM Terminals Bahrain B.S.C.
CONDENSED INTERIM FINANCIAL INFORMATION
31 MARCH 2023

APM Terminals Bahrain B.S.C.
CONDENSED INTERIM FINANCIAL INFORMATION
For the three month period ended 31 March 2023

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Independent auditor's 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 31 March 2023 and the related condensed interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three month period then ended and a summary of significant accounting policies and other explanatory notes. 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 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" in a cursive style.

John Molloy

Partner's registration number: 255

PricewaterhouseCoopers M.E Limited

Manama, Kingdom of Bahrain

14 May 2023

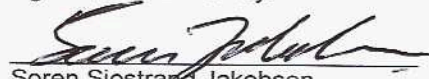
APM Terminals Bahrain B.S.C.

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
As at 31 March 2023

BD 000's

	Note	31 March 2023 (reviewed)	31 December 2022 (audited Restated – Note 15)	1 January 2022 (Restated – Note 15)
ASSETS				
Intangible assets		4,360	4,459	4,863
Equipment and vehicles		21,341	21,509	21,622
Total non-current assets		25,701	25,968	26,485
Inventories		560	409	362
Trade receivables		1,533	1,671	1,550
Other receivables and prepayments		1,313	738	285
Due from related parties	4	1,167	977	788
Balances with Group Treasury	4	25,378	25,199	25,512
Cash and cash equivalents		2,488	1,357	1,730
Total current assets		32,439	30,351	30,227
Total assets		58,140	56,319	56,712
EQUITY AND LIABILITIES				
Equity				
Share capital		9,000	9,000	9,000
Statutory reserve		4,500	4,500	4,500
Retained earnings		2,454	8,492	8,160
Total equity		15,954	21,992	21,660
Liabilities				
Lease and other financial liabilities		23,743	24,006	24,330
Employee leaving indemnities		882	864	738
Total non-current liabilities		24,625	24,870	25,068
Trade and other payables		7,950	7,301	8,035
Due to related parties	4	8,321	618	514
Lease and other financial liabilities		1,290	1,538	1,435
Total current liabilities		17,561	9,457	9,984
Total liabilities		42,186	34,327	35,052
Total equity and liabilities		58,140	56,319	56,712

The condensed interim financial information was approved by the Board of Directors on 14 May 2023 and signed on its behalf by:


Soren Sjostrand Jakobsen
Chairman


Nadhem Saleh Al-Saleh
Director

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

APM Terminals Bahrain B.S.C.

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the three months ended 31 March 2023 BD 000's

	Note	For the three months ended	
		31 March 2023 (reviewed)	31 March 2022 (reviewed Restated – Note 15)
Revenue	5	8,572	9,665
Direct operating expenses	6	(3,281)	(3,412)
Other operating expenses	7	(2,376)	(3,033)
Gross profit		2,915	3,220
Other operating income		28	20
General and administrative expenses	8	(976)	(921)
Reversal of expected credit losses on trade receivables		16	-
Operating profit		1,983	2,319
Finance income		288	153
Finance expense		(426)	(456)
Net finance costs		(138)	(303)
Profit for the period		1,845	2,016
Other comprehensive income		-	-
Total comprehensive income for the period		1,845	2,016
Earnings per share			
Basic and diluted earnings per share (in fils)	14	21	22

The condensed interim financial information was approved by the Board of Directors on 14 May 2023 and signed on its behalf by:


 Soren Sjostrand Jakobsen
 Chairman


 Nadhem Saleh Al-Saleh
 Director

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 three months ended 31 March 2023

BD 000's

	Share capital	Statutory reserve	Retained earnings	Total
2023 (reviewed)				
At 1 January 2023	9,000	4,500	8,492	21,992
Total comprehensive income for the period	-	-	1,845	1,845
Transactions with owners in their capacity as owners				
Cash dividend declared for 2022 (Note 11)	-	-	(7,883)	(7,883)
At 31 March 2023	9,000	4,500	2,454	15,954

	Share capital	Statutory reserve	Retained earnings	Total
2022 (reviewed – Restated Note 15)				
At 1 January 2022 – as previously reported	9,000	4,500	7,984	21,484
Effect of restatement	-	-	176	176
At 1 January 2022 - Restated	9,000	4,500	8,160	21,660
Total comprehensive income for the period	-	-	2,016	2,016
Transactions with owners in their capacity as owners				
Cash dividend declared for 2021 (Note 11)	-	-	(7,984)	(7,984)
At 31 March 2022	9,000	4,500	2,192	15,692

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

CONDENSED INTERIM STATEMENT OF CASH FLOWS
For the three months ended 31 March 2023

BD 000's

	Notes	31 March 2023 (reviewed)	31 March 2022 (reviewed Restated – Note 15)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period		1,845	2,016
<i>Adjustments for:</i>			
Depreciation	6	551	538
Amortisation	6	110	103
Finance expense		426	456
Reversal of impairment on trade receivables		(16)	-
Provision for impairment of inventories		34	9
Finance income		(288)	(153)
Employee leaving indemnities – charge		28	28
<i>Changes in:</i>			
- Inventories		(185)	(85)
- Trade receivables		154	267
- Other receivables and prepayments		(554)	(447)
- Due from related parties		(27)	102
- Trade and other payables		649	538
- Due to related parties		(180)	(127)
Employee leaving indemnities – paid		(10)	(5)
Net cash generated from operating activities		2,537	3,240
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of equipment and vehicles		(256)	(21)
Purchase of intangible assets		(11)	-
Proceeds from maturity of placements with Group Treasury		866	426
Placements with Group Treasury		(941)	(2,898)
Net cash used in investing activities		(342)	(2,493)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of finance expense		(426)	(456)
Payment of lease liabilities and other financial liabilities		(638)	(573)
Net cash used in financing activities		(1,064)	(1,029)
Net increase/(decrease) in cash and cash equivalents during the period		1,131	(282)
Cash and cash equivalents at the beginning of the period		1,357	1,730
Cash and cash equivalents at end of the period		2,488	1,448

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

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 Group is ultimately controlled through A.P. Møller Holding A/S, Copenhagen, Denmark, which is owned by the foundation A.P. Møller og Hustru Chastine Mc-Kinney Møller Fond til almene Formaal.

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 2022 ('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 2022.

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 2022. 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 three month period ended 31 March 2022.

For further information, refer to the annual audited financial statements of the Company and notes thereto for the year ended 31 December 2022.

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 uncertainty were the same as those applied to the audited financial statements as at and for the year ended 31 December 2022.

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 2022.

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 2022 unless otherwise stated.

New Standards, Amendment to Standards and Interpretations:

There are no new standards issued, however, there are a number of amendments to standards which are effective from 1 January 2023 and have been explained in the audited financial statements for the year ended 31 December 2022, but they do not have a material effect on the Company's condensed interim financial information.

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 company	Group company	Entities which shareholders and directors have interest in	Total
As at 31 March 2023 (reviewed)				
<u>Current assets</u>				
<i>Due from related parties</i>				
Trade receivables	257	-	431	688
Interest receivable on deposits	423	-	-	423
Other receivables	-	56	-	56
	680	56	431	1,167
Balances with Group Treasury	25,378	-	-	25,378
<u>Non-current liability</u>				
<i>Due to related parties</i>				
Non-current portion of financial liabilities	-	16,700	43	16,743
<u>Current liabilities</u>				
Dividend payable	5,045	-	2,838	7,883
Other payables	4	-	-	4
Accrued expenses	59	321	9	389
Management fee payable	25	-	-	25
Board remuneration payable	10	-	10	20
	5,143	321	2,857	8,321
Current portion of financial liabilities	-	1,198	30	1,228

The Company has maintained balances with Group Treasury pursuant to the technical services agreement whereby treasury advice and execution services are provided and earn an average interest rate of 4.50% p.a. (2022: 1.40% p.a.).

4 RELATED PARTY TRANSACTIONS (continued)

Description	Parent company	Group company	Entities which shareholders and directors have interest in	Total
For the period ended 31 March 2023 (reviewed)				
<u>Income</u>				
Revenue	560	-	1,391	1,951
Finance income	95	-	-	95
	655	-	1,391	2,046
<u>Expenses</u>				
Subcontracting charges	-	(853)	-	(853)
Management and administration fee	(83)	-	-	(83)
Computer expenses	(63)	-	-	(63)
Maintenance and repairs	-	-	(7)	(7)
Board remuneration	(10)	-	(10)	(20)
Other expenses	(9)	-	(4)	(13)
	(165)	(853)	(21)	(1,039)

A cash outflow of BD 544 (2022: BD 505) related to lease rental payments were made to the Group company and BD 8 (2022: BD 8) to other shareholders during the period.

Description	Parent company	Group company	Entities which shareholders and directors have interest in	Total
As at 31 December 2022				
<u>Current assets</u>				
<i>Due from related parties</i>				
Trade receivable	183	-	462	645
Interest receivable	260	-	-	260
Other receivables	-	72	-	72
	443	72	462	977
Balances with Group Treasury	25,199	-	-	25,199
<u>Non-current liability</u>				
<i>Due to related parties</i>				
Non-current portion of financial liabilities	-	17,004	51	17,055
<u>Current liabilities</u>				
Trade payable	-	37	-	37
Accrued expenses	-	546	8	554
Management fee payable	27	-	-	27
	27	583	8	618
Current portion of financial liabilities	-	1,177	29	1,206

4 RELATED PARTY TRANSACTIONS (continued)

Description	Parent company	Group company	Entities which shareholders and directors have interest in	Total
For the period ended 31 March 2022 (reviewed)				
Income				
Revenue	560	-	1,391	1,951
Finance income	96	-	-	96
	656	-	1,391	2,047
Expenses				
Subcontracting charges	-	(853)	-	(853)
Management and administration fee	(83)	-	-	(83)
Computer expenses	(63)	-	-	(63)
Maintenance and repairs	-	-	(7)	(7)
Board remuneration	(12)	-	(12)	(24)
Other expenses	(9)	-	(4)	(13)
	(167)	(853)	(23)	(1,043)

Other related party transactions for the period ended 31 March

Description	Parent/ Group company		Other related parties		Total	
	2023	2022	2023	2022	2023	2022
Purchase of inventories	-	-	7	7	7	7

Key management personnel

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

	31 March 2023 (reviewed)	31 March 2022 (reviewed)
Salaries and other short-term benefits	158	171
Post-employment benefits	4	6
Board remuneration	20	24
Post-employment benefits payable	51	40

5 REVENUE

	For the three months ended 31 March 2023 (reviewed)	For the three months ended 31 March 2022 (reviewed)
Container services	4,208	4,240
Marine services	2,246	2,287
General cargo services	2,118	3,138
	8,572	9,665

Revenue income from container services, general cargo services and marine services are recognized at a point in time.

6 DIRECT OPERATING EXPENSES

	For the three months ended 31 March 2023 (reviewed)	For the three months ended 31 March 2022 (reviewed)
Salaries and related costs	1,238	1,209
Subcontracting charges	608	738
Depreciation	551	538
Amortization	110	103
Maintenance and repairs	405	351
Fuel and electricity	232	266
Operational insurance	48	40
Equipment hiring charges	37	128
Provision for impairment of inventories	34	9
Customs duty and freight charges	5	23
Other expenses	13	7
	3,281	3,412

7 OTHER OPERATING EXPENSES

	For the three months ended 31 March 2023 (reviewed)	For the three months ended 31 March 2022 (reviewed)
Royalty to Government of Kingdom of Bahrain	2,376	3,033

8 GENERAL AND ADMINISTRATIVE EXPENSES

	For the three months ended 31 March 2023 (reviewed)	For the three months ended 31 March 2022 (reviewed)
Salaries and related costs	555	495
Computer expenses	121	97
Management and administration fee	82	83
Security costs	58	60
Office expenses	51	31
Subcontracting charges	44	50
Board remuneration	20	24
Legal and professional charges	17	14
Travel expenses	16	1
Training expenses	10	5
Other expenses	2	61
	976	921

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. The 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 trade and other receivables, trade and other payables, balances with Group Treasury 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. Derivative financial instruments measured at fair value were Level 2 as per the hierarchy (Refer to note 12).

11 APPROPRIATIONS

At the Annual General Meeting of the Company held on 28 March 2023, final dividend of BD 7,883 was approved for 2022, which has been paid subsequent to period ended 31 March 2023 (final dividend of BD 7,984 was approved for 2021 and paid in 2022).

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 26,190 (31 December 2022: BD 30,129) maturing within one year. The fair value gain on derivatives for the period amounted to BD 21 (31 March 2022 gain: BD 57) and is included under finance income in the profit or loss.

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:

	31 March 2023 (reviewed)	31 March 2022 (reviewed)
Profit for the period	1,845	2,016
Weighted average number of shares (000's)	90,000	90,000
Basic and diluted earnings per share (fils)	21	22

15 RESTATEMENT OF CORRESPONDING AMOUNTS

A. Reclassification of equipment purchased under the concession agreement

Management has concluded that certain items of equipment purchased by the Company were incorrectly classified as intangible assets under the provisions of IFRIC 12 "Service concession arrangements" in the statement of financial position in prior years. The correct treatment would be to classify this equipment under IAS 16 "*Property Plant and Equipment*" and IFRS 16 "*Leases*" as this equipment does not meet the recognition criteria under IFRIC 12 "*Service concession arrangements*". This judgement is based on the Khalifa bin Salman Port Concession Agreement between The Government of the Kingdom of Bahrain and the Company which may not necessarily obligate the Company to transfer this equipment at the end of the concession.

B. Remeasurement of the finance lease liability

In accordance with the requirements of IFRS 16, "*Leases*", management has restated comparative figures to adjust for the correction of error in the prior period's year-end and condensed interim financial information. The error is related to the Marine Service Equipment. According to the contract, the rates are adjusted annually in accordance with the American Consumer Price Index ("CPI"). Management have incorrectly calculated the remeasurement of the variable payments by calculating the net present value of the adjusted cashflow retrospectively.

In accordance with IFRS 16 "*Leases*", the modification should have been accounted for as of the effective date of the modification (in a prospective matter) and the difference booked as a remeasurement to the Right of Use asset.

There is no impact on earnings per share for the three months ended 31 March 2023 (three months ended 31 March 2022: No impact) as a result of the restatement.

15 RESTATEMENT OF CORRESPONDING AMOUNTS (continued)

Discrete effect on condensed interim financial information line items in the statement of financial position as at 31 December 2022, condensed interim statement of profit or loss and other comprehensive income and cash flows statement for the period ended 31 March 2022 and the relevant notes to the financial statements.

Statement of financial position:

	31 December 2021 (Previously reported)	Adjustment (A)	Adjustment (B)	1 January 2022 (Restated)	31 December 2022 (Previously reported)	Adjustment (A)	Adjustment (B)	31 December 2022 (Restated)
Intangible assets	25,639	(20,776)	-	4,863	24,206	(19,747)	-	4,459
Equipment and vehicles	670	20,776	176	21,622	1,153	19,747	609	21,509
Total non-current assets	26,309	-	176	26,485	25,359	-	609	25,968
Total assets	56,536	-	176	56,712	55,710	-	609	56,319
Retained earnings	7,984	-	176	8,160	7,883	-	609	8,492
Total equity	21,484	-	176	21,660	21,383	-	609	21,992
Total equity and liabilities	56,536	-	176	56,712	55,710	-	609	56,319

Condensed interim statement of profit or loss and other comprehensive income:

	31 March 2022 (Previously reported)	Adjustment (B)	31 March 2022 (Restated)
Direct operating expenses	(3,408)	(4)	(3,412)
Gross profit	3,224	(4)	3,220
Operating profit	2,323	(4)	2,319
Profit for the period	2,020	(4)	2,016
Total comprehensive income for the period	2,020	(4)	2,016

Condensed interim statement of cash flows:

	31 March 2022 (Previously reported)	Adjustment (A)	Adjustment (B)	31 March 2022 (Restated)
Profit for the period	2,020	-	(4)	2,016
Amortization	549	(446)	-	103
Depreciation	88	446	4	538
Net cash generated from operating activities	3,240	-	-	3,240
Net cash used in investing activities	(2,493)	-	-	(2,493)
Net cash used in financing activities	(1,029)	-	-	(1,029)
Net decrease in cash and cash equivalents during the period	(282)	-	-	(282)
Cash and cash equivalents at end of the period	1,448	-	-	1,448

15 RESTATEMENT OF CORRESPONDING AMOUNTS (continued)

Notes to the condensed interim financial information:

	31 March 2022 (Previously reported)	Adjustment (A)	Adjustment (B)	31 March 2022 (Restated)
Amortization	549	(446)	-	103
Depreciation	88	446	4	538