

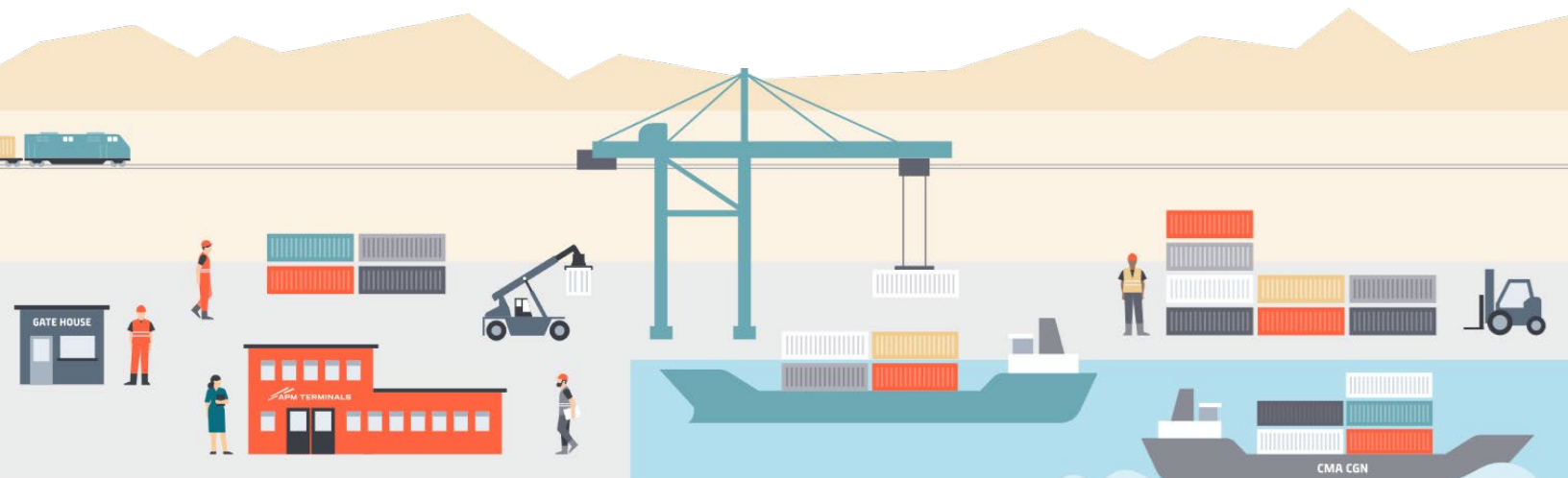
APM Terminals Bahrain B.S.C.  
18<sup>th</sup> Annual General Assembly and  
5<sup>th</sup> Extraordinary General Assembly  
27 March 2024

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## Agenda Item 1:

To approve the minutes of the 17th Annual General Assembly meeting held on 28 March 2023.



**APM TERMINALS BAHRAIN B.S.C. ("Company")**  
**MINUTES OF THE ANNUAL GENERAL ASSEMBLY MEETING OF SHAREHOLDERS**  
**("Meeting")**

**HELD ON WEDNESDAY, 28<sup>th</sup> March 2023 AT 12:00 P.M.**

The Annual General Meeting (the "Meeting") was held at the Business Centre, Bahrain Bourse, Kingdom of Bahrain and attended by the following:

**Shareholders:**

<b>Shareholder</b>	<b>Proxy</b>	<b>Shares</b>	<b>Shareholding</b>
APM Terminals B.V.	Noora Janahi	57,600,000	64.000%
Yusuf Bin Ahmed Kanoo (Holdings) Co. W.L.L	Ali Abdulmalek	14,400,000	16.000%
Farooq Zuberi	Personally	4,546	0.0051%
Jassim Almoosawi	Personally	3,100	0.0034%

**Board of Directors of the Company**

- Mr. Soren S. Jakobsen – Chairman
- Mr. Fawzi Ahmed Kanoo – Vice Chairman
- Mr. Nadhem Saleh Al Saleh – Independent Director
- Mr. Mohammed Al Shroogi – Independent Director

**Management of the Company:**

- Farooq Zaheer Zuberi – Acting Chief Executive Officer and Chief Financial Officer
- Babar Ghausi – Senior Finance Manager
- Dana Alsendi - Legal Manager, Corporate Governance Officer, Company Secretary and Investor Relations Officer

**External Auditors, Pricewaterhouse Coopers Middle East Limited (Pwc)**

- John Molloy
- Reem Alali

**Ministry of Industry, Commerce and Tourism (MOICT)**

- Mariam Khalid

**Capital Market Supervision Directorate - Central Bank of Bahrain (CBB)**

- Jaber Al Aali
- Rayyan Ali

**Listing & Disclosure - Bahrain Bourse**

- Noora Al Mahmeed

**Bahrain Clear, Share Registrar**

- Noor Alhajari



Notice having been given to the Shareholders for the Meeting; the Meeting commenced at 12:00 P.M at the Business Centre, Bahrain Bourse. The Share Registrar confirmed in writing that the Meeting is attended by shareholders representing 80.0085% of the share capital of the Company. Accordingly, it was confirmed that the Meeting has the required quorum and therefore the Meeting is in order to transact the business as listed on the Agenda circulated to all the shareholders.

Mr. Soren S. Jakobsen was designated Chairman of the Meeting (the "Chairman").

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### **Welcome Address by the Chairman**

For and on behalf of the Board of Directors of the Company, the Chairman welcomed the Shareholders, representatives of MOICT, CBB, Bahrain Bourse, Share Registrars, External Auditors and all others in attendance.

Mr. Jakobsen delivered a short note on Company's performance in 2022.

Mr. Jakobsen stated that 2022 was a challenging year as global trade re-aligned after the pandemic while geo-political events also created major disruptions. On the container handling side, there was a drop in Export volumes over last year as more volumes from ALBA moved through general cargo while import volumes remained in line with 2021. In general cargo, ever since exports shifted from containerized cargo two years ago, APM Terminals Bahrain has delivered ever improving productivity levels at Khalifa Bin Salman Port (KBSP), which has in turn supported Bahraini exports to reach their market in the most efficient and cost-effective way possible.

During the year, to mitigate the impact of changes in trade volumes, APM Terminals Bahrain continued the journey we started in 2021, to grow our business through investments and diversification into Value-Added Services and new service offerings. We continue to work towards expansion into temperature-controlled warehousing as well as upgrading our CFS facility to improve our customer experience. Towards the end of 2022, we saw the return of cruise vessels to KBSP, carrying 16,000 passengers, a truly positive boost for the Bahraini tourist trade and the wider economy.

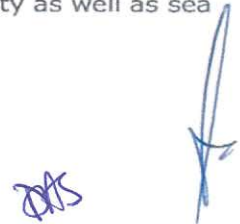
In 2022 overall revenue declined by 4% vs. 2021 mainly in General cargo due to loss of Steel volumes from SULB and significant decline in US Navy calls owing to a changing geo-political landscape. Revenue for Container and Marine services was in line with 2021.

Despite a drop in revenue, net profit is almost in line with last year. This was possible through several cost optimization measures combined with one off provision reversal during the year. In the face of rising costs, it is expected that profitability will continue to decline in the coming years in the absence of a tariff adjustment. Discussions have been ongoing with PMA for over a year and its been more than 6 years since the last tariff adjustment was approved by PMA.

In 2022, the Company went live with its CSR program aimed at recruiting and training local talents for leadership positions as well as a maritime youth program which has offered 3 students a full scholarship to study nautical science in a world class university as well as sea time apprenticeship aboard Maersk vessels.

Mr. Jakobsen then proceeded with the Agenda items of the Meeting.

\*\*\*\*\*



**Agenda Item No. 1:**

**To review and approve the minutes of the 16<sup>th</sup> Annual General Assembly Meeting of Shareholders held on 30 March 2022.**

With due consideration of the Shareholders, it was unanimously RESOLVED that the minutes of the Ordinary Annual General Assembly Meeting of Shareholders held on 30 March 2022 are approved and confirmed in all aspects and be filed in the Company's books and records.

**Agenda Item No. 2:**

**To review and approve the report of the Board of Directors on the activities of the Company for the financial year ended 31 December 2022.**

With due consideration of the Shareholders, it was unanimously RESOLVED that the report of the Board of Directors on the Company's activities for the financial year ended 31 December 2022 is hereby approved and confirmed in all aspects.

**Agenda Item No. 3:**

**To review and approve the external auditors report on the audited Financial Statements for the financial year ended 31 December 2022.**

The Chairman referred to the auditors to present the audited Financial Statements for the year ended 31 December 2022. Mrs. Reem AlAli read the 'Auditor's Opinion' and the report on other 'Legal and regulatory requirements' in Arabic.

Mr. Jassim Almoosawi noted that PWC have been the External Auditors of the Company for the past 3 years and are due to be changed. Mr. John Molloy clarified that the partner in the auditing firm is to be rotated after 3 years, otherwise, the auditing firm is to be changed after 5 years.

With due consideration of the Shareholders, it was unanimously RESOLVED that the Auditor's report on the financial Statements for the financial year ended 31 December 2022 is hereby approved and confirmed in all aspects.

**Agenda Item No. 4:**

**To review and approve the Audited Financial Statements for the financial year ended 31 December 2022.**

Mr. Ali Abdulmalik, representing Yusuf Bin Ahmed Kanoo (Holdings) Co. W.L.L enquired about the reason why interest income has gone down in 2022 as compared to 2021, considering that global interest rates were increased in 2022.

Mr. Babar Ghausi, Senior Finance Manager, explained that the deposits made in 2021 were higher than 2022, thereby earning more interest. Interest rates were the same in 2021 and 2022, however, global interest rates increased at the end of 2022 so the impact of that would be witnessed in 2023.

Mr. Abdulmalik also enquired about the counterparty risk, in relation to the company depositing cash with the group company, and whether that would be considered a loan.

Mr. Ghausi advised that there is no counterparty risk. The excess cash is being deposited with the group the same way as it is deposited with any local bank. Mr. Farooq Zuberi, Acting Chief Executive Officer and Chief Finance Officer, added that such action is the outsourcing of the treasury department and is not a loan.

*Handwritten initials: DAS*

*Handwritten signature*

Mr. Almoosawi also enquired about the ability to rent warehouses to increase revenue, considering that revenue has gone down this year. The Ministry of Transport and Telecommunications receive rental income from GLS, which then competes with the Company.

Mr. Almoosawi highlighted that there are approximately 4000 trucks entering Bahrain through the causeway, who are paying BHD 10 fee at the causeway as a charge for not using the seaport of Bahrain. Such is income which the Company has been deprived of. Mr. Almoosawi recommended that such is brought up with the government at the next tariff review meeting.

Mr. Zuberi advised that the warehouses are not fully utilized and the Company is working on sourcing business to occupy or rent them, in the same way as was done with one of its customers, CPC. The Company is also working on a temperature-controlled warehouse to attract more customers.

He further advised that the fee was paid to the Company when it was in Mina Salman, however, it is not being done now.

Mr. Almoosawi also queried the Company's right to review tariff.

The Chairman advised that Concession Agreement provides for an annual review of tariff. Last tariff adjustment happened 6 years ago in 2017 and currently the Company is in discussions with the government on tariff review. These discussions have been ongoing since a year and a half ago and we are still awaiting implementation. In the absence of a tariff increase, profitability in 2023 and beyond is expected to decline and this will negatively affect the Company's ability to pay dividend.

Mr. Almoosawi also commented that tax in the report has increased and advised that Khalifa bin Salman Port is a bonded area, where tax should not be paid to Customs Affairs. A refund of taxes paid should be requested from Customs Affairs. This is similar to ASRY where no duties are paid due to their jetty being a bonded area.

Mr. Zuberi informed that discussions have been initiated with customs and a formal letter has been sent, however, no outcome has been realised yet.

With due consideration of the Shareholders, it was unanimously RESOLVED that the Audited Financial Statements for the financial year ended 31 December 2022 is hereby approved and confirmed in all aspects.

**Agenda Item No. 5:**

**To approve the recommendation of the Board of Directors to allocate the dividends for the financial year ended 31 December 2022 as follows:**

- i. Cash dividend of 87.588 fils per share or 87.588%, amounting to total dividend payment of BD 7,882,920 for the fiscal year ended 31 December 2022.

In this regard, below are the key dates to be taken note of:

<b>Event</b>	<b>Date</b>
Cum-Dividend Date <b>(Last day of trading with entitlement to dividends)</b>	29 March 2023
Ex-Dividend Date <b>(First day of trading without entitlement to dividends)</b>	30 March 2023

*PTS* 



Record Date 2 April 2023  
*(The Day on which all shareholders whose names are on the share register will be entitled to dividends)*  
Payment Date 16 April 2023  
*(The Day on which the dividends will be paid to the entitled shareholders)*

Shareholders expressed their complete satisfaction with the dividend distribution.

With due consideration of the Shareholders, it was unanimously RESOLVED that the recommendation of the Board of Directors to allocate the dividends for the financial year ended 31 December 2022 as mentioned above is hereby approved and confirmed in all aspects.

**Agenda Item No. 6:**

**To approve a proposal for the distribution of remuneration to the members of the Board of Directors for a total amount of BD 62,000 for the financial year ended 31 December 2022.**

With due consideration of the Shareholders, it was unanimously RESOLVED that the proposal to distribute remuneration to the members of the Board of Directors for a total amount of BD 62,000 for the financial year 31 December 2022 is hereby approved and confirmed in all aspects.

**Agenda Item No. 7:**

**To discuss and approve the Corporate Governance for the year ended 31 December 2022 in compliance with the requirements of the Central Bank of Bahrain and the Ministry of Industry, Commerce and Tourism.**

With due consideration of the Shareholders, it was unanimously RESOLVED that the Corporate Governance report for the year ended 31 December 2022 is hereby approved and confirmed in all aspects.

**Agenda Item No. 8:**

**To review and approve material related party transactions entered into by the Company for the financial year ended 31 December 2022 as set out in Note 22 of the Financial Statements in line with Article 189 of the Commercial Companies Law.**

With due consideration of the Shareholders, it was unanimously RESOLVED that the material related party transactions entered into by the Company for the financial year ended 31 December 2022 as set out in Note 22 of the Financial Statements in line with Article 189 of the Commercial Companies Law is hereby approved and confirmed in all aspects.

**Agenda Item No. 9:**

**To discharge the Members of the Board of Directors from their liability in respect of management of the Company for the year ended 31 December 2022**

With due consideration of the Shareholders, it was unanimously RESOLVED that the Board of Directors is fully discharged from any liability in respect of their duties and actions during the year ended 31 December 2022.


**Agenda Item No. 10**

**Appointment /reappointment of external auditors, for the financial year ending 31 December 2023 and authorizing the Board of Directors to determine their fees.**

With due consideration of the Shareholders, it was unanimously RESOLVED that the appointment of PriceWaterhouseCoopers as the external auditors of APM Terminals Bahrain B.S.C, for the financial year ending 31 December 2023 and authorisation to the Board of Directors to determine their fees is hereby approved and confirmed to in all aspects.

**Agenda Item No. 11:**

**Any other business in accordance with Article 207 of the Commercial Companies Law.**

Mr. Almoosawi recommended offering office space for rent to shipping lines as there seems to be demand for such and it would also compete with the GLS.

Mr. Zuberi advised that the Company is renovating a building which could be used for such.

Mr. Abdulmalik enquired about the plan regarding the appointment of the CEO considering that there has been a high turnover with the last CEOs leaving in a short period of time.

The Chairman advised that the previous two CEOs left for purely personal reasons which are not related to the Company. It is important to the Board of Directors to appoint someone who would be ready to serve in this role for the longer term. The appointment is being finalised soon. Saying that, the management team is solid and highly capable of running the affairs of the Company.

Mr. Almoosawi acknowledged that and commended Mr. Zuberi for doing a great job as Acting Chief Executive Officer during the interim period. The Chairman agreed with him.

The Chairman delivered a final update about the Company's decarbonization plans. The Company is in the process of setting up a solar farm with an objective of reducing emissions and generating electricity. This is in addition to plans of electrifying its equipment and moving from diesel to electricity. Such plan would require a USD 10 million investment.

There being no further business, the Chairman thanked the Shareholders, the representatives of the Central Bank of Bahrain; Ministry of Industry, Commerce and Tourism, Bahrain Bourse, share registrars, PWC, Directors, Management and all others who had attended the Meeting.

The Chairman declared the Meeting closed at 12:40 PM and it was noted that the quorum had been present throughout.

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These Minutes are subject to review and approval by the Shareholders at the next Annual General Meeting of the Shareholders whenever held.

These minutes and resolutions may be executed in electronic form which shall be deemed to be an original.

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Mr. Soren S. Jakobsen  
Chairman



Mrs. Dana Alsendi  
Company Secretary

## Agenda Item 2 :

To discuss and ratify the report of the Board of Directors on the activities of the company for financial year ended 31 December 2023.



**APM Terminals Bahrain B.S.C**  
**DIRECTORS' REPORT**  
**for the year ended 31 December 2023**

On behalf of the Board of Directors, it is our pleasure in presenting the Company's financial statements (pages 11 to 45) for the year ended 31 December 2023.

**Financial highlights (BD 000's)**

	<b>2023</b>	2022
Revenue	<b>35,936</b>	37,257
Profit for the year	<b>7,537</b>	8,316
Total equity	<b>21,646</b>	21,992
Total assets	<b>54,636</b>	56,319

**Director's remuneration**

The Board of Directors' remuneration and the executive management expenses for the year are as follows:

Name	Fixed remunerations					Variable remunerations					End-of-service award	Aggregate amount (Does not include expense allowance)	Expenses Allowance
	Remunerations of the chairman and BOD	Total allowance for attending Board and committee meetings	Salaries	Others*	Total	Remunerations of the chairman and BOD	Bonus	Incentive plans	Others**	Total			
<b>First: Independent Directors:</b>													
1- Mohamed Al Shroogi	10	3	-	-	13	-	-	-	-	-	-	-	-
2-Nadhem Saleh Al Saleh	10	3	-	-	13	-	-	-	-	-	-	-	-

<b>Second: Non-Executive Directors:</b>													
1-Jesper Kjaedegaard	10	4	-	-	14	-	-	-	-	-	-	-	-
<b>Third: Executive Directors:</b>													
1- Soren S. Jakobsen	12	4	-	-	16	-	-	-	-	-	-	-	-
2- Fawzi Ahmed Kanoo	10	2	-	-	12	-	-	-	-	-	-	-	-
3- Jonathan Goldner	10	3	-	-	13	-	-	-	-	-	-	-	-
<b>Total</b>	<b>62</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>81</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Note: All amounts must be stated in Bahraini Dinars.</b>													
<b>Other remunerations:</b>													
* It includes in-kind benefits – specific amount - remuneration for technical, administrative and advisory works (if any).													
** It includes the board member's share of the profits - Granted shares (insert the value) (if any).													

**Second: Executive management remuneration details:**

Executive management	Total paid salaries and allowances	Total paid remuneration (Bonus)	Any other cash/ in kind remuneration for 2023	Aggregate Amount
Top 6 remunerations for executives, including CEO* and Senior Financial Officer**	686	58	-	744
<p><b>Note: All amounts must be stated in Bahraini Dinars.</b></p> <p>* The highest authority in the executive management of the company, the name may vary: (CEO, President, General Manager (GM), Managing Director...etc).</p> <p>** The company's highest financial officer (CFO, Finance Director, ...etc)</p>				

**APM Terminals Bahrain B.S.C**  
**DIRECTORS' REPORT**  
**for the year ended 31 December 2023**

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**Representations and audit**

The Company's activities for the year ended 31 December 2023 have been conducted in accordance with the Commercial Companies Law and other relevant statutes of the Kingdom of Bahrain.

There have been no events subsequent to 31 December 2023, which would in any way invalidate the financial statements on pages 11 to 45.

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 PricewaterhouseCoopers M.E Limited.

**Proposed Appropriations**

Based on the financial results, the Board of directors has recommended for the approval of Shareholders at the upcoming Annual General Meeting, a full year cash dividend of BD 8,146 thousands.



Soren Sjostrand Jakobsen  
Chairman

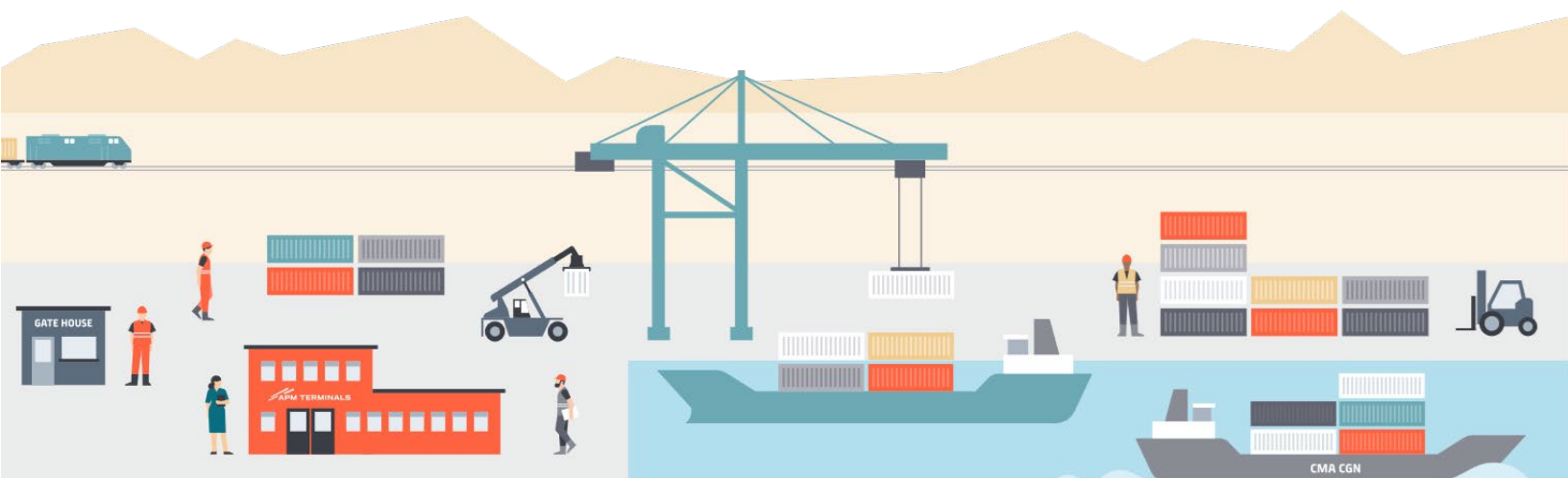


Nadhem Saleh Al-Saleh  
Director

28 February 2024

### Agenda Item 3 :

To discuss the external auditors report on the financial statements for the year ended 31 December 2023.







## Independent auditor's report to the shareholders of APM Terminals Bahrain B.S.C.

### Report on the audit of the financial statements

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#### Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of APM Terminals Bahrain B.S.C. (the "Company") as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

#### What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2023;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include material accounting policies and other explanatory information.

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#### 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the financial statements in the Kingdom of Bahrain. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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#### Our audit approach

##### Overview

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Key Audit Matter	-	Accounting under concession arrangement
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As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the Board of Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

## Independent auditor's report to the shareholders of APM Terminals Bahrain B.S.C.

### Report on the audit of the financial statements (continued)

#### 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 of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
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#### *Accounting under concession agreement*

As described in note 3 (c), the Company has entered into the Khalifa Bin Salman Port Concession Agreement ("KBSP Agreement") dated 8 November 2006, with the Government of the Kingdom of Bahrain (the "Government"), whereby the Government has granted the Company an exclusive right and privilege to operate the Khalifa Bin Salman Port for a period of 25 years starting from 1 April 2009. The Board of Directors reassessed the accounting treatment of the KBSP Agreement and in doing so have exercised significant judgements in assessing the key clauses of the KBSP Agreement.

The judgements included:

- Interpretation and assessment of the key clauses of the KBSP Agreement, to ensure that the rights arising from the KBSP Agreement meet the requirements of the "intangible asset" model under IFRIC 12 — Service Concession Arrangements; and
- Assessment of fixed and variable payments for the recognition of financial liability with corresponding recognition of intangible assets arising from a fixed fee, payable to the Government over the life of the KBSP Agreement.

We considered this as a key audit matter as the appropriate accounting treatment of the KBSP Agreement is fundamental to the users' understanding of the financial statements taken as a whole as it impacts the recognition, classification and measurement of assets, liabilities, income and expenses.

Refer to note 3 (c).

Our audit procedures included:

- Obtaining the Board of Directors interpretation and assessment of the key clauses of the KBSP Agreement and its potential impact on the financial statements in line with IFRS requirements;
- Evaluating, with the assistance of our internal financial reporting experts, the key terms of the KBSP Agreement to identify clauses where Board of Directors have applied significant judgements that have a resultant impact on the financial statements;
- Assessing the appropriateness of the accounting policies applied by the Board of Directors in relation to the accounting and the recognition and measurement of a financial liability with corresponding recognition of intangible assets arising from a fixed fee, payable to the Government over the life of the KBSP Agreement; and
- Assessing the adequacy of the disclosures made in the financial statements around this matter.



## Independent auditor's report to the shareholders of APM Terminals Bahrain B.S.C.

### *Report on the audit of the financial statements (continued)*

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#### *Other information*

The Board of Directors is responsible for the other information. The other information comprises the Directors' Report (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report and the Annual Report which is expected to be made available to us after that date.

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 identified above 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.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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#### *Responsibilities of the Board of Directors for the financial statements*

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and the Bahrain Commercial Companies Law number (21) of 2001, as amended (the "Commercial Companies Law"), and for such internal control as the Board of Directors 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, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

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#### *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 risks 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.



## Independent auditor's report to the shareholders of APM Terminals Bahrain B.S.C.

### *Report on the audit of the financial statements (continued)*

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#### *Auditor's responsibilities for the audit of the financial statements (continued)*

- 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 the Board of Directors 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 the Board of Directors 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 the Board of Directors, 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 auditor's report to the shareholders of APM Terminals Bahrain B.S.C.

### *Report on the audit of the financial statements (continued)*

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#### *Report on other legal and regulatory requirements*

- A) As required by the Commercial Companies Law, we report that:
- i. the Company has maintained proper accounting records and the financial statements are in agreement therewith;
  - ii. the financial information included in the Directors' Report is consistent with the financial statements;
  - iii. nothing has come to our attention which causes us to believe that the Company has, during the year, breached any of the applicable provisions of the Commercial Companies Law or the items of its Memorandum and Articles of Association which would have a material adverse effect on its activities for the year ended 31 December 2023 or its financial position as at that date; and
  - iv. satisfactory explanations and information have been provided to us by the management in response to all our requests.
- B) As required by the Ministry of Industry and Commerce in its letter dated 30 January 2020 in respect of Article (8) of Section (2) of Chapter (1) of the Bahrain Corporate Governance Code, we report that the Company:
- i. has appointed a corporate governance officer; and
  - ii. has a Board of Directors approved written guidance and procedures for corporate governance.

The partner in charge of the audit resulting in this independent auditor's report is John Molloy.

Partner's Registration Number: 255  
PricewaterhouseCoopers M.E Limited  
Manama, Kingdom of Bahrain  
28 February 2024

## Agenda Item 4 :

To ratify the audited financial statements for the year ended 31 December 2023.



**APM Terminals Bahrain B.S.C.**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2023**

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## Corporate Information

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**Commercial Registration** 60982 - 1

**Registered Office** P.O. Box 50490, Hidd  
Kingdom of Bahrain  
Telephone: +973 17 365500  
Fax: +973 17 365505

### Directors

<b>Name</b>	<b>Designation</b>	<b>Date of appointment</b>	<b>Date of reappointment</b>
Soren Sjostrand Jakobsen	<i>Chairman</i>	13 Dec 2018	31 Mar 2022
Fawzi Ahmed Kanoo	<i>Vice-chairman</i>	13 Dec 2018	31 Mar 2022
Jonathan Goldner	<i>Executive Director</i>	10 Aug 2022	
Jesper Kjaedegaard	<i>Non-Executive Director</i>	13 Dec 2018	31 Mar 2022
Mohamed Ebrahim Alshroogi	<i>Independent Director</i>	13 Dec 2018	31 Mar 2022
Nadhem Saleh Al-Saleh	<i>Independent Director</i>	13 Dec 2018	31 Mar 2022

**Audit, Risk and Compliance Committee** Nadhem Saleh Al-Saleh  
Mohamed Ebrahim Alshroogi  
Soren Sjostrand Jakobsen

**Nomination, Remuneration and Governance Committee** Mohamed Ebrahim Alshroogi  
Nadhem Saleh Al-Saleh  
Jesper Kjaedegaard

**Company Secretary and Corporate Governance Officer** Dana AlSendi

**Registrar** Bahrain Clear  
Harbour Gate, 4th Floor,  
Bahrain Financial Harbour  
Bahrain

**Bankers** HSBC  
Ahli United Bank

**Auditor** PricewaterhouseCoopers M.E Limited

**APM Terminals Bahrain B.S.C**  
**DIRECTORS' REPORT**  
**for the year ended 31 December 2023**

On behalf of the Board of Directors, it is our pleasure in presenting the Company's financial statements (pages 11 to 45) for the year ended 31 December 2023.

**Financial highlights (BD 000's)**

	<b>2023</b>	2022
Revenue	<b>35,936</b>	37,257
Profit for the year	<b>7,537</b>	8,316
Total equity	<b>21,646</b>	21,992
Total assets	<b>54,636</b>	56,319

**Director's remuneration**

The Board of Directors' remuneration and the executive management expenses for the year are as follows:

Name	Fixed remunerations					Variable remunerations					End-of-service award	Aggregate amount (Does not include expense allowance)	Expenses Allowance
	Remunerations of the chairman and BOD	Total allowance for attending Board and committee meetings	Salaries	Others*	Total	Remunerations of the chairman and BOD	Bonus	Incentive plans	Others**	Total			
<b>First: Independent Directors:</b>													
1- Mohamed Al Shroogi	10	3	-	-	13	-	-	-	-	-	-	-	-
2-Nadhem Saleh Al Saleh	10	3	-	-	13	-	-	-	-	-	-	-	-

<b>Second: Non-Executive Directors:</b>													
1-Jesper Kjaedegaard	10	4	-	-	14	-	-	-	-	-	-	-	-
<b>Third: Executive Directors:</b>													
1- Soren S. Jakobsen	12	4	-	-	16	-	-	-	-	-	-	-	-
2- Fawzi Ahmed Kanoo	10	2	-	-	12	-	-	-	-	-	-	-	-
3- Jonathan Goldner	10	3	-	-	13	-	-	-	-	-	-	-	-
<b>Total</b>	<b>62</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>81</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Note: All amounts must be stated in Bahraini Dinars.</b>													
<b>Other remunerations:</b>													
* It includes in-kind benefits – specific amount - remuneration for technical, administrative and advisory works (if any).													
** It includes the board member's share of the profits - Granted shares (insert the value) (if any).													

**Second: Executive management remuneration details:**

Executive management	Total paid salaries and allowances	Total paid remuneration (Bonus)	Any other cash/ in kind remuneration for 2023	Aggregate Amount
Top 6 remunerations for executives, including CEO* and Senior Financial Officer**	686	58	-	744
<p><b>Note: All amounts must be stated in Bahraini Dinars.</b></p> <p>* The highest authority in the executive management of the company, the name may vary: (CEO, President, General Manager (GM), Managing Director...etc).</p> <p>** The company's highest financial officer (CFO, Finance Director, ...etc)</p>				

**APM Terminals Bahrain B.S.C**  
**DIRECTORS' REPORT**  
**for the year ended 31 December 2023**

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**Representations and audit**

The Company's activities for the year ended 31 December 2023 have been conducted in accordance with the Commercial Companies Law and other relevant statutes of the Kingdom of Bahrain.

There have been no events subsequent to 31 December 2023, which would in any way invalidate the financial statements on pages 11 to 45.

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 PricewaterhouseCoopers M.E Limited.

**Proposed Appropriations**

Based on the financial results, the Board of directors has recommended for the approval of Shareholders at the upcoming Annual General Meeting, a full year cash dividend of BD 8,146 thousands.



Soren Sjostrand Jakobsen  
Chairman



Nadhem Saleh Al-Saleh  
Director

28 February 2024



## Independent auditor’s report to the shareholders of APM Terminals Bahrain B.S.C.

### Report on the audit of the financial statements

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#### Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of APM Terminals Bahrain B.S.C. (the “Company”) as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

#### What we have audited

The Company’s financial statements comprise:

- the statement of financial position as at 31 December 2023;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include material accounting policies and other explanatory information.

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#### 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the financial statements in the Kingdom of Bahrain. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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#### Our audit approach

##### Overview

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Key Audit Matter	-	Accounting under concession arrangement
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As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the Board of Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

## Independent auditor's report to the shareholders of APM Terminals Bahrain B.S.C.

### Report on the audit of the financial statements (continued)

#### 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 of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
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#### Accounting under concession agreement

As described in note 3 (c), the Company has entered into the Khalifa Bin Salman Port Concession Agreement ("KBSP Agreement") dated 8 November 2006, with the Government of the Kingdom of Bahrain (the "Government"), whereby the Government has granted the Company an exclusive right and privilege to operate the Khalifa Bin Salman Port for a period of 25 years starting from 1 April 2009. The Board of Directors reassessed the accounting treatment of the KBSP Agreement and in doing so have exercised significant judgements in assessing the key clauses of the KBSP Agreement.

The judgements included:

- Interpretation and assessment of the key clauses of the KBSP Agreement, to ensure that the rights arising from the KBSP Agreement meet the requirements of the "intangible asset" model under IFRIC 12 — Service Concession Arrangements; and
- Assessment of fixed and variable payments for the recognition of financial liability with corresponding recognition of intangible assets arising from a fixed fee, payable to the Government over the life of the KBSP Agreement.

We considered this as a key audit matter as the appropriate accounting treatment of the KBSP Agreement is fundamental to the users' understanding of the financial statements taken as a whole as it impacts the recognition, classification and measurement of assets, liabilities, income and expenses.

Refer to note 3 (c).

Our audit procedures included:

- Obtaining the Board of Directors interpretation and assessment of the key clauses of the KBSP Agreement and its potential impact on the financial statements in line with IFRS requirements;
- Evaluating, with the assistance of our internal financial reporting experts, the key terms of the KBSP Agreement to identify clauses where Board of Directors have applied significant judgements that have a resultant impact on the financial statements;
- Assessing the appropriateness of the accounting policies applied by the Board of Directors in relation to the accounting and the recognition and measurement of a financial liability with corresponding recognition of intangible assets arising from a fixed fee, payable to the Government over the life of the KBSP Agreement; and
- Assessing the adequacy of the disclosures made in the financial statements around this matter.



## Independent auditor's report to the shareholders of APM Terminals Bahrain B.S.C.

### *Report on the audit of the financial statements (continued)*

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#### *Other information*

The Board of Directors is responsible for the other information. The other information comprises the Directors' Report (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report and the Annual Report which is expected to be made available to us after that date.

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 identified above 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.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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#### *Responsibilities of the Board of Directors for the financial statements*

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and the Bahrain Commercial Companies Law number (21) of 2001, as amended (the "Commercial Companies Law"), and for such internal control as the Board of Directors 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, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

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#### *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 risks 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.





## Independent auditor's report to the shareholders of APM Terminals Bahrain B.S.C.

### *Report on the audit of the financial statements (continued)*

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#### *Auditor's responsibilities for the audit of the financial statements (continued)*

- 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 the Board of Directors 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 the Board of Directors 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 the Board of Directors, 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 auditor's report to the shareholders of APM Terminals Bahrain B.S.C.

### *Report on the audit of the financial statements (continued)*

---

#### *Report on other legal and regulatory requirements*

- A) As required by the Commercial Companies Law, we report that:
- i. the Company has maintained proper accounting records and the financial statements are in agreement therewith;
  - ii. the financial information included in the Directors' Report is consistent with the financial statements;
  - iii. nothing has come to our attention which causes us to believe that the Company has, during the year, breached any of the applicable provisions of the Commercial Companies Law or the items of its Memorandum and Articles of Association which would have a material adverse effect on its activities for the year ended 31 December 2023 or its financial position as at that date; and
  - iv. satisfactory explanations and information have been provided to us by the management in response to all our requests.
- B) As required by the Ministry of Industry and Commerce in its letter dated 30 January 2020 in respect of Article (8) of Section (2) of Chapter (1) of the Bahrain Corporate Governance Code, we report that the Company:
- i. has appointed a corporate governance officer; and
  - ii. has a Board of Directors approved written guidance and procedures for corporate governance.

The partner in charge of the audit resulting in this independent auditor's report is John Molloy.

Partner's Registration Number: 255  
PricewaterhouseCoopers M.E Limited  
Manama, Kingdom of Bahrain  
28 February 2024

APM Terminals Bahrain B.S.C.  
STATEMENT OF FINANCIAL POSITION  
as at 31 December 2023

BD 000's

	Note	31 December 2023	31 December 2022 (Restated)	1 January 2022 (Restated)
<b>ASSETS</b>				
Intangible assets	4	4,038	4,459	4,863
Equipment and vehicles	5	20,964	21,509	21,622
<b>Total non-current assets</b>		<b>25,002</b>	<b>25,968</b>	<b>26,485</b>
Inventories	6	544	409	362
Trade receivables	7	1,724	1,671	1,550
Other receivables and prepayments	8	567	738	285
Due from related parties	22	849	977	788
Balances with Group Treasury	22	25,033	25,199	25,512
Cash and cash equivalents	9	917	1,357	1,730
<b>Total current assets</b>		<b>29,634</b>	<b>30,351</b>	<b>30,227</b>
<b>Total assets</b>		<b>54,636</b>	<b>56,319</b>	<b>56,712</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	10	9,000	9,000	9,000
Statutory reserve	11	4,500	4,500	4,500
Retained earnings		8,146	8,492	8,160
<b>Total equity</b>		<b>21,646</b>	<b>21,992</b>	<b>21,660</b>
<b>Liabilities</b>				
Lease and other financial liabilities	12	22,379	24,006	24,330
Employee leaving indemnities	13	995	864	738
<b>Total non-current liabilities</b>		<b>23,374</b>	<b>24,870</b>	<b>25,068</b>
Trade and other payables	14	7,685	7,301	8,035
Due to related parties	22	295	618	514
Lease and other financial liabilities	12	1,636	1,538	1,435
<b>Total current liabilities</b>		<b>9,616</b>	<b>9,457</b>	<b>9,984</b>
<b>Total liabilities</b>		<b>32,990</b>	<b>34,327</b>	<b>35,052</b>
<b>Total equity and liabilities</b>		<b>54,636</b>	<b>56,319</b>	<b>56,712</b>

The financial statements were approved by the Board of Directors on 28 February 2024 and signed on its behalf by:

  
Soren Sjostrand Jakobsen  
Chairman

  
Nadhem Saleh Aisaleh  
Board Member

The accompanying notes 1 to 29 are an integral part of these financial statements.

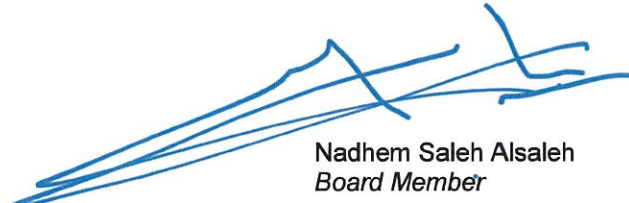
APM Terminals Bahrain B.S.C.  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
for the year ended 31 December 2023

BD 000's

	Note	2023	2022 (Restated)
Revenue	15	35,936	37,257
Direct operating expenses	16	(13,743)	(14,096)
Other direct expenses	17	(9,926)	(9,521)
<b>Gross profit</b>		<b>12,267</b>	13,640
Other operating income		96	154
Gain on disposal of equipment and vehicles		11	-
General and administrative expenses	18	(4,278)	(4,201)
Charge from expected credit losses on trade receivables		-	(77)
<b>Operating profit</b>		<b>8,096</b>	9,516
Finance income		1,161	496
Finance expense	19	(1,720)	(1,696)
<b>Net finance costs</b>		<b>(559)</b>	(1,200)
<b>Profit for the year</b>		<b>7,537</b>	8,316
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>7,537</b>	8,316
<b>Earnings per share</b>			
Basic and diluted earnings per share (in fils)	20	<b>84</b>	92

These financial statements were approved for issue by the Board of Directors of the Company on 28 February 2024 and signed on its behalf by:

  
Soren Sjostrand Jakobsen  
Chairman

  
Nadhem Saleh Alsaleh  
Board Member

The accompanying notes 1 to 29 are an integral part of these financial statements.

**APM Terminals Bahrain B.S.C.**  
**STATEMENT OF CHANGES IN EQUITY**  
**for the year ended 31 December 2023**

BD 000's

<b>2023</b>	<b>Share capital</b>	<b>Statutory reserve</b>	<b>Retained earnings</b>	<b>Total</b>
At 1 January	9,000	4,500	8,492	21,992
Total comprehensive income for the year	-	-	7,537	7,537
<b>Transactions with shareholders in their capacity as shareholders</b>				
Dividend for 2022 (Note 21)	-	-	(7,883)	(7,883)
<b>At 31 December</b>	<b>9,000</b>	<b>4,500</b>	<b>8,146</b>	<b>21,646</b>

<b>2022 - Restated</b>	<b>Share capital</b>	<b>Statutory reserve</b>	<b>Retained earnings</b>	<b>Total</b>
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	9000	4,500	8,160	21,660
Total comprehensive income for the year	-	-	8,316	8,316
<b>Transactions with shareholders in their capacity as shareholders</b>				
Dividend for 2021 (Note 21)	-	-	(7,984)	(7,984)
At 31 December	9,000	4,500	8,492	21,992

The accompanying notes 1 to 29 are an integral part of these financial statements.

	Note	2023	2022 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit for the year</b>		<b>7,537</b>	8,316
<i>Adjustments for:</i>			
Amortisation	4	442	424
Depreciation	5	2,231	2,182
Finance expense		1,720	1,696
Gain on sale of equipment and vehicles		(11)	-
Charge of impairment on trade receivables	7	-	77
(Reversal)/charge of provision for impairment of inventories	6	(49)	24
Finance income		(1,066)	(379)
Employee leaving indemnities – charge	13	156	149
<i>Changes in:</i>			
- Inventories		(86)	(71)
- Trade receivables		(53)	(198)
- Other receivables and prepayments		171	(453)
- Due from related parties		(132)	22
- Trade and other payables		384	(734)
- Due to related parties		(323)	104
Employee leaving indemnities – paid	13	(25)	(23)
<b>Net cash generated from operating activities</b>		<b>10,896</b>	11,136
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of equipment and vehicles		(1,700)	(812)
Purchase of intangible assets	4	(21)	(20)
Proceeds from maturity of placements with Group Treasury		11,161	24,411
Placements with Group Treasury		(9,669)	(23,930)
Proceeds from disposal of equipment and vehicles		11	-
<b>Net cash used in investing activities</b>		<b>(218)</b>	(351)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of lease liabilities and other financial liabilities		(1,515)	(1,478)
Payment of finance expenses		(1,720)	(1,696)
Dividend paid	21	(7,883)	(7,984)
<b>Net cash used in financing activities</b>		<b>(11,118)</b>	(11,158)
<b>Net decrease in cash and cash equivalents during the year</b>		<b>(440)</b>	(373)
Cash and cash equivalents at beginning of the year		1,357	1,730
<b>Cash and cash equivalents at end of the year</b>	9	<b>917</b>	1,357

Non-cash activities include remeasurement of right-of-use assets and lease liabilities of BD 14 (2023: BD 1,257).

The accompanying notes 1 to 29 are an integral part of these financial statements.

## **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 by the Ministry of Industry, Commerce and Tourism. The Company's registered office is P.O. Box 50490, Hidd, Kingdom of Bahrain. The Company is a subsidiary of APM Terminals B.V (the "Immediate 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.

The Company commenced operations on 8 December 2006, following the signing of the Mina Salman Concession Agreement (the "MSP agreement") with the Government of the Kingdom of Bahrain ("Government"), wherein the Government has granted the Company an exclusive right and privilege to operate the Mina Salman Port. The Mina Salman concession agreement was in force for a period commencing from 8 December 2006 and expired on the Commercial Operation Date of the Khalifa Bin Salman Port (KBSP), 1 April 2009.

The Company also signed the Khalifa Bin Salman Port Concession Agreement ("KBSP Agreement") dated 8 November 2006, with the Government whereby the Government has granted the Company an exclusive right and privilege to operate the KBSP for a period of 25 years starting 1 April 2009. The Company paid BD 924 as concession fee for the KBSP concession period on commencement of operations at the KBSP (refer note 4).

In consideration for granting the concessions, the Company pays a royalty fee to the Government of the Kingdom of Bahrain and is calculated as follows:

- A fixed fee of BD 700 per annum is payable for lease agreement increasing at the rate of 2% per annum; and

- A variable royalty fee calculated in accordance with the terms set out in the KBSP Agreement. The variable royalty fee on revenue for 2023 is 31% (2022: 31%) and 3% penalty in case of failure to meet transhipment target or key performance indicators set out in the concession agreement.

In accordance with the KBSP agreement, at an Extraordinary General Meeting held on 11 June 2018, the shareholders resolved to convert the Company's status to a Bahraini Public Joint Stock Company. Subsequent to the Initial Public Offering (IPO) of 20% of the existing shares of the shareholders, the Company became a Bahraini Public Joint Stock Company effective 9 December 2018 and was listed on the Bahrain Bourse.

## **2 BASIS OF PREPARATION**

### **a) Statement of compliance**

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board (IASB) and, IFRIC Interpretations and the Commercial Companies Law.

### **b) Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Bahraini Dinars, which is the Company's functional and presentation currency. All financial information presented has been rounded to the nearest thousands, except when otherwise indicated.

**2 BASIS OF PREPARATION (continued)****c) Basis of measurement**

The financial statements have been prepared under the historical cost basis, except for derivatives which are measured at fair value through profit or loss.

**d) Early adoption of standards**

The Company has not early adopted any new standards in 2023.

**e) New standards, amendments and interpretations effective from 1 January 2023**

- IFRS 17 Insurance Contracts
- Definition of Accounting Estimates – amendments to IAS 8
- International Tax Reform – Pillar Two Model Rules – amendments to IAS 12
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – amendments to IAS 12
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2.]
- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current and Amendments to IAS 1 – Non-current Liabilities with Covenants.

These standards did not have a material impact on the entity in the current reporting period.

**f) New standards issued and not yet applicable or early adopted by the Company for the periods starting on or after 1 January 2023:**

Certain amendments to accounting standards have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Company. The Company is currently assessing the impact of these new and amended standards issued but not yet effective on the Company's financial statements.

**g) Use of estimates and judgements**

In preparing these financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

**Judgements:**

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 3(q) – leases: whether the Company is reasonably certain to exercise extension options and use of discount rate.
- Note 29 (a) – IFRIC 12 service concession arrangement: classification of equipment related to the service concession arrangement.

**Assumptions and estimation uncertainties:**

Information about assumptions and estimation uncertainties at 31 December 2023 that have a risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Note 3(b) – Useful life and residual value of equipment and vehicle
- Note 3(o) – impairment of inventory
- Note 3(o) – measurement of ECL allowance for trade receivables; and
- Note 3(o) – impairment of non-financial assets



### 3 MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these financial statements are set out below. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year, except as set out below.

#### a) Revenue recognition

The Company recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15 - Revenue from Contract with Customers ("IFRS 15"):

1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
5. Recognise revenue when (or as) the entity satisfies a performance obligation at a point in time or over time.

The Company provides a wide range of services related to the management and operation of the Khalifa Bin Salman Port (KBSP), container services, general cargo services and marine services. If the contract with a customer includes any separate services, the Company identifies performance obligations of the services to be rendered.

The Company recognizes revenue when the amount of revenue and related costs can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue comprises the fair value of the consideration received or receivable for the services rendered in the ordinary course of the Company's activities. Revenue is shown net of value added tax and discounts.

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

- Container services represent the activities relating to handling containers and container vessels including storage and other related activities.
- General cargo services represent the activities relating to handling general cargo vessels and stuffing, unstuffing, and storage of non-containerized and bulk cargo.
- Marine services represent activities relating to pilotage and towage in KBSP, MSP and other private jetties.

**3 MATERIAL ACCOUNTING POLICIES (continued)****b) Equipment and vehicles**

Equipment and vehicles are stated at cost less depreciation and allowances for impairment, if any. Cost includes purchase price of the items and expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item or repairs can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated on a straight-line basis to allocate the cost of equipment and vehicles to their residual values over their estimated useful lives, as follows:

<b>Asset category</b>	<b>Estimated useful life in years</b>
ROU - Leased forklifts	Life of the lease
ROU – Leased flats	Life of the lease
Computer equipment	3
Quay cranes	25
RTG cranes	10
Spreaders & straddle carriers	5
Vehicles	5
Tools	5
Machinery and equipment	5
Furniture, fixtures and equipment	5

All depreciation is charged to profit or loss. The total amount of depreciation is classified into operating expenses based on the use of the related asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are recognised in the Statement of profit or loss and other comprehensive income.

**c) Intangible assets**

Intangible assets include the amount of concession fee paid to the Government of the Kingdom of Bahrain in accordance with the Khalifa Bin Salman Concession Agreement entered with the Government for the operation of the Khalifa Bin Salman Port and the present value of the minimum lease payments of Khalifa Bin Salman Port. These intangible assets have finite useful life and are measured at cost less amortisation and accumulated impairment loss, if any.

Amortisation is recognised in profit or loss on a straight-line basis over the concession agreement period of 25 years.

Intangible assets also include software and licenses acquired by the Company and are measured at cost less accumulated amortisation and any accumulated impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Software and licenses are amortised on a straight-line basis in the profit or loss over their estimated useful life, from the date on which it is available for use. The estimated useful life is three years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2023****BD 000's****3 MATERIAL ACCOUNTING POLICIES (continued)****d) Inventories**

Inventories mainly consist of consumables and spares. Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in-first-out principle and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

The net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

**e) Trade receivables**

Receivables are recognized initially at fair value and subsequently measured at amortized cost less provision for impairment.

**f) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and at bank and bank deposits that have an original maturity of three months or less, realisable on demand.

**g) Trade payable and accruals**

Payables are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not. These are recognized initially at their fair value and subsequently measured at amortized cost

Trade payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

**h) Provisions**

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

**i) Dividends**

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are declared but not yet paid.

**j) Earnings per share**

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of shares outstanding during the period. The weighted average number of ordinary shares outstanding during the period and for all periods presented is adjusted for the issue of bonus shares.

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2023**

BD 000's

**3 MATERIAL ACCOUNTING POLICIES (continued)**

**k) Employee benefits**

*Short-term employee benefits:*

Short-term employee benefits are expensed as the related service is provided.

*End of service benefits:*

Pension rights (and other social benefits) for Bahraini employees are covered by the Social Insurance Organisation scheme to which employees and employers contribute monthly on a fixed-percentage-of-salaries basis. The Company's share of contributions to this funded scheme, which is a defined contribution scheme under IAS 19 – *Employee Benefits*, is recognised as an expense in the profit or loss.

Expatriate employees are entitled to leaving indemnities payable under the Bahrain Labour Law for the Private Sector 2012, based on length of service and final salary and other allowances paid. Provision for this unfunded commitment, which represents a defined benefit scheme under IAS 19 – *Employee Benefits*, has been made by calculating the notional liability had all employees left at the reporting date, is recognised as an expense in the profit or loss.

**l) Foreign currency transactions**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional and presentation currency of the Company is Bahraini dinars ("BD").

Transactions in foreign currencies are translated to Bahraini Dinars at the foreign exchange rate prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into Bahraini Dinars at the foreign exchange rate prevailing at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into Bahraini Dinars at the exchange rate at the date that the fair value was determined. Foreign exchange differences resulting from the settlement of such foreign currency transactions and from the translation of monetary and non-monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the profit or loss.

**m) Financial instruments**

*Classification*

The Company classified its financial assets as those measured at amortised cost except for derivatives measured at fair value through profit or loss. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

A financial asset is measured at amortised cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows under the instrument solely represents payments of principal and interest. These financial assets are included in current assets, except for maturities greater than 12 months after the reporting date, which are classified as non-current assets. The Company's financial assets at amortised cost are "other receivables", "trade receivable", "amounts due from related parties", "balances with Group treasury" and "cash and cash equivalents".

### 3 MATERIAL ACCOUNTING POLICIES (continued)

#### m) Financial instruments

##### *Derivative financial instruments*

The Company holds derivative financial instruments for its foreign currency exposure in the form of foreign exchange forward and FX swap. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

##### *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

##### *Measurement*

At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest "if any" are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the statement of profit or loss and other comprehensive income. Impairment losses are presented as separate line item in the statement of profit or loss and other comprehensive income.

##### *Subsequent measurement*

Subsequent to the initial recognition, financial assets are carried at amortised costs using the effective interest method.

#### n) Fair values 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.

#### o) Impairment

##### *(i) Financial assets*

The Company recognises loss allowance for expected credit loss on financial assets measured at amortized cost. Loss allowance for trade receivables is always measured at an amount equal to the life-time expected credit losses.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes significant financial difficulty of the debtor, a breach of contract such as a default or it is probable that the debtor will enter bankruptcy or other financial reorganization.

The Company has three types of financial assets that are materially subject to the expected credit loss model which are trade receivables, due from related parties and balances with group treasury.

While cash at bank, other receivables, balances due from related parties and balances with group treasury are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

### 3 MATERIAL ACCOUNTING POLICIES (continued)

#### o) Impairment (continued)

##### (i) *Financial assets (continued)*

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all financial assets.

The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

To measure the expected credit losses, financial assets have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 12 month before 31 December 2023 or 1 January 2023 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers and the related parties to settle the receivables.

The details for the calculation of the expected credit losses are disclosed in Note 24.

##### (ii) *Non-financial assets*

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### p) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right, not contingent on any future events, to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### q) Leases

Leases are recognized as assets of the right to use and corresponding liabilities on the date that the leased assets are available for use to the Company. Each lease payment is distributed between the obligation and the financing cost. The cost of financing is charged to profit or loss over the term of the lease to obtain a constant periodic rate of interest payable on the remaining balance of liabilities for each period. Depreciation is calculated on the assets of the right to use over the useful life of the asset or lease term, whichever is shorter, using the straight-line method.

### 3 MATERIAL ACCOUNTING POLICIES (continued)

#### q) Leases (continued)

The value of right of use is reviewed at the date of the financial statement, the estimated useful lives of these assets are also reviewed and any changes to be made in the coming periods.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the Company under residual value guarantees,
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third-party financing, and
- makes adjustments specific to the lease, ex term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Company use that rate as a starting point to determine the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the statement of profit or loss and other comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received, and
- any initial direct costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The Company has recognised the right-of-use assets for leased forklifts and flats (refer note 5), which are presented under equipment and vehicles. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

**3 MATERIAL ACCOUNTING POLICIES (continued)****q) Leases (continued)***Extension and termination options*

Extension and termination options are included in a number of leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable by the Company or by the respective lessor.

**r) Finance income and finance expense**

The Company's finance income includes interest income on balances with Group Treasury and bank balances, and finance costs includes interest expense on leases. Interest income or expense is recognised using the effective interest method.

**s) Royalty**

Royalty expense is computed in line with the concession agreement as a percentage of the revenue earned and is recognized as other direct expenses in the profit or loss, in the period it is incurred.

**t) Government grants**

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises expenses for which the grants are intended to compensate. In the case of grants related to assets, requires setting up the grant as deferred income or deducting it from the carrying amount of the asset.

**u) Share capital**

Ordinary shares are classified as equity.

**v) Statutory reserve**

According to the Bahrain Commercial Companies Law, the Company should deduct 10% of its annual net profit to transfer to the statutory reserve and continue to do so each year provided that the total deducted amounts for the reserve do not exceed 50% of the Company's capital. For the purposes of this law. This reserve is not available for distribution to shareholders.



**4 INTANGIBLE ASSETS**

**2023**

**Cost**

Balance as at 1 January

Additions

**At 31 December**

**Accumulated amortisation**

At 1 January

Amortisation

**At 31 December**

**Net book value**

**31 December**

	<b>Service concession rights</b>	<b>Software and licenses</b>	<b>Total</b>
Balance as at 1 January	9,731	850	10,581
Additions	-	21	21
<b>At 31 December</b>	<b>9,731</b>	<b>871</b>	<b>10,602</b>
At 1 January	5,350	772	6,122
Amortisation	389	53	442
<b>At 31 December</b>	<b>5,739</b>	<b>825</b>	<b>6,564</b>
<b>Net book value 31 December</b>	<b>3,992</b>	<b>46</b>	<b>4,038</b>

Service concession rights include BD 924 paid as concession fee for the KBSP concession period on commencement of operations at the KBSP (note 1).

**4 INTANGIBLE ASSETS (continued)**

**2022**

**Cost**

Balance as at 1 January  
 Additions

**At 31 December**

**Accumulated amortisation**

At 1 January  
 Amortisation

**At 31 December**

**Net book value**

**31 December**

	<b>Service concession rights</b>	<b>Software and licenses</b>	<b>Total (Restated)</b>
	9,731	830	10,561
	-	20	20
	<b>9,731</b>	<b>850</b>	<b>10,581</b>
	4,961	737	5,698
	389	35	424
	<b>5,350</b>	<b>772</b>	<b>6,122</b>
	<b>4,381</b>	<b>78</b>	<b>4,459</b>

Service concession rights include BD 924 paid as concession fee for the KBSP concession period on commencement of operations at the KBSP (note 1).

5 EQUIPMENT AND VEHICLES

2023

	Marine Service Equipment	Leased Forklifts	Leased Flats	Computer Equipment	Cranes & Transtainers	Furniture & Fixtures	Machinery & Equipment	Vehicles	Tools	Leasehold Improvement	Capital work-in progress	Total
<b>Cost</b>												
Balance as at 1 January	21,951	145	-	1,280	17,407	203	3,066	1,565	66	30	761	46,474
Remeasurement during the year *	(141)	-	-	-	-	-	-	-	-	-	-	(141)
Additions	-	-	127	34	-	-	147	-	-	-	1,519	1,827
Transfers	-	-	-	82	-	-	512	-	-	-	(594)	-
Disposals	-	-	-	-	-	(1)	(128)	(95)	-	(19)	-	(243)
<b>At 31 December</b>	<b>21,810</b>	<b>145</b>	<b>127</b>	<b>1,396</b>	<b>17,407</b>	<b>202</b>	<b>3,597</b>	<b>1,470</b>	<b>66</b>	<b>11</b>	<b>1,686</b>	<b>47,917</b>
<b>Accumulated depreciation</b>												
At 1 January	5,387	70	-	1,214	13,916	122	2,645	1,534	47	30	-	24,965
Depreciation	1,462	29	64	79	311	25	227	29	5	-	-	2,231
Disposals	-	-	-	-	-	(1)	(128)	(95)	-	(19)	-	(243)
<b>At 31 December</b>	<b>6,849</b>	<b>99</b>	<b>64</b>	<b>1,293</b>	<b>14,227</b>	<b>146</b>	<b>2,744</b>	<b>1,468</b>	<b>52</b>	<b>11</b>	<b>-</b>	<b>26,953</b>
<b>Net book value 31 December</b>	<b>14,961</b>	<b>46</b>	<b>63</b>	<b>103</b>	<b>3,180</b>	<b>56</b>	<b>853</b>	<b>2</b>	<b>14</b>	<b>-</b>	<b>1,686</b>	<b>20,964</b>

\* Remeasurement relates to change in future financial liabilities payments arising from a change in index during the year for the assets – marine service equipment.

5 EQUIPMENT AND VEHICLES (continued)

2022

	Marine Service Equipment	Leased Forklifts	Leased Flats	Computer Equipment	Cranes & Transtainers	Furniture & Fixtures	Machinery & Equipment	Vehicles	Tools	Leasehold Improvement	Capital work-in progress	Total (Restated)
<b>Cost</b>												
Balance as at 1 January	20,694	145	148	1,283	17,407	189	3,040	1,565	60	30	-	44,561
Remeasurement during the year *	1,257	-	-	-	-	-	-	-	-	-	-	1,257
Additions	-	-	-	2	-	17	26	-	6	-	761	812
Disposals	-	-	(148)	(5)	-	(3)	-	-	-	-	-	(156)
<b>At 31 December</b>	<b>21,951</b>	<b>145</b>	<b>-</b>	<b>1,280</b>	<b>17,407</b>	<b>203</b>	<b>3,066</b>	<b>1,565</b>	<b>66</b>	<b>30</b>	<b>761</b>	<b>46,474</b>
<b>Accumulated depreciation</b>												
At 1 January	3,969	41	74	1,110	13,604	103	2,463	1,505	40	30	-	22,939
Depreciation	1,418	29	74	109	312	22	182	29	7	-	-	2,182
Disposals	-	-	(148)	(5)	-	(3)	-	-	-	-	-	(156)
<b>At 31 December</b>	<b>5,387</b>	<b>70</b>	<b>-</b>	<b>1,214</b>	<b>13,916</b>	<b>122</b>	<b>2,645</b>	<b>1,534</b>	<b>47</b>	<b>30</b>	<b>-</b>	<b>24,965</b>
<b>Net book value 31 December</b>	<b>16,564</b>	<b>75</b>	<b>-</b>	<b>66</b>	<b>3,491</b>	<b>81</b>	<b>421</b>	<b>31</b>	<b>19</b>	<b>-</b>	<b>761</b>	<b>21,509</b>

\* Remeasurement relates to change in future financial liabilities payments arising from a change in index during the year for the assets – marine service equipment.

**6 INVENTORIES**

	<b>2023</b>	2022
At 1 January	908	837
Purchased during the year	2,018	647
Consumed during the year	(1,932)	(576)
	<b>994</b>	908
Less: Provision for obsolescence	<b>(450)</b>	(499)
<b>At 31 December</b>	<b>544</b>	409

*Movement in provision for obsolescence:*

	<b>2023</b>	2022
At 1 January	499	475
(Reversal) / charge for the year, net	(49)	24
At 31 December	<b>450</b>	499

**7 TRADE RECEIVABLES**

	<b>2023</b>	2022
Trade receivables	2,219	2,166
Less: Provision for loss allowance	(495)	(495)
	<b>1,724</b>	1,671

*Movement in provision for loss allowance:*

	<b>2023</b>	2022
At 1 January	495	418
Charge for the year	-	77
At 31 December	<b>495</b>	495

The fair values of trade receivables approximate their carrying values. Information about the Company's exposure to credit risk is included in note 24.

**8 OTHER RECEIVABLES AND PREPAYMENTS**

	<b>2023</b>	2022
Prepayments	34	52
Advances to suppliers	370	498
Fair value of derivatives (refer note 28)	37	40
Other receivables	126	148
	<b>567</b>	738

**9 CASH AND CASH EQUIVALENTS**

	Ratings	2023	2022
Balances with banks	A+ to BB+	917	1,357

Information about the Company's exposure to credit risk is included in note 24.

**10 SHARE CAPITAL**

*Authorized share capital / issued and fully paid up*

	2023	2022
90,000,000 shares of 100 fils each (2022: 90,000,000 of 100 fils each)	9,000	9,000

(i) Names and nationalities of the major shareholders and the number of equity shares held:

Name of the shareholder	Nationality	Number of shares (000s)	% of holding
APM Terminals B.V	Netherland	57,600	64%
Yusuf Bin Ahmed Kanoo (Holdings) W.L.L	Bahrain	14,400	16%

(ii) The Company has one class of equity shares and the holders of these shares have equal voting rights. Holders of ordinary shares are entitled to dividends from time to time and are entitled to one vote per share at general meetings of the Company. All rights attached to the Company's shares held by the Company are suspended until those shares are re-issued.

(iii) The following is a distribution schedule of equity shares setting out the number of holding and percentage:

Categories*	Number of shares (000s)	Number of shareholders	% of total shares
Less than 1%	14,338	730	15.9%
1 % up to less than 5%	3,662	2	4.1%
5 % up to less than 10%	-	-	-
10 % up to less than 20%	14,400	1	16.0%
20 % up to less than 50%	-	-	-
50% and above	57,600	1	64.0%
<b>Total</b>	<b>90,000</b>	<b>734</b>	<b>100.0%</b>

\* Expressed as percentage of total issued and fully paid shares of the Company.

**11 STATUTORY RESERVE**

In accordance with the Commercial Companies Law and the Company's Articles of Association, a minimum of 10% of the net profit for the year is appropriated to a statutory reserve. The Company may elect to discontinue such appropriation when the reserves reach 50% of the capital. This reserve is not distributable, except in the circumstances stipulated in the Commercial Companies Law. As this requirement has been met, no transfer has been made to the statutory reserve for the year ended 31 December 2022 and 31 December 2023.

## 12 LEASE AND OTHER FINANCIAL LIABILITIES

a) Amounts recognised in the statement of financial position

i) Right of use assets include marine service equipment, leased forklifts and leased flats amounting to BD 15,070 (2022: BD 16,639) (note 5).

ii) Lease and other financial liabilities

	<b>2023</b>	2022
Marine service equipment (Financial liability)	16,948	18,182
Service concession rights (Financial liability)	6,951	7,282
Lease of forklifts (Lease liability)	51	80
Lease of flats (Lease liability)	65	-
	<b>24,015</b>	25,544

	<b>2023</b>	2022
Non-current portion of lease and other financial liability	22,379	24,006
Current portion of lease and other financial liability	1,636	1,538
	<b>24,015</b>	25,544

b) Amounts recognised in the profit or loss:

	<b>2023</b>	2022
Depreciation charge on right-of-use assets (note 5)	1,555	1,521
Interest expense on financial liabilities (included in finance expense note 19)	1,619	1,680
Interest expense on lease liabilities (included in finance expense note 19)	6	27
Expense relating to short-term leases	79	77
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	-	-

c) The total cash outflow for leases in 2023 was BD 1,515 (2022: BD 1,478).

## 13 EMPLOYEES LEAVING INDEMNITIES

Employee benefits related to salaries and related costs have been disclosed in notes 16 and 18. The charge for indemnity is included in the respective notes based on function i.e., direct operating expenses or administrative expenses. Provision for employees' indemnity liability is as follows:

	<b>2023</b>	2022
At 1 January	864	738
Charge for the year	156	149
Paid during the year	(25)	(23)
<b>At 31 December</b>	<b>995</b>	864

**13 EMPLOYEES LEAVING INDEMNITIES (continued)**

	<b>2023</b>	2022
Charge for the year		
General and administrative expenses	35	41
Direct operating expenses	121	108
<b>At 31 December</b>	<b>156</b>	149

**14 TRADE AND OTHER PAYABLES**

	<b>2023</b>	2022
Royalty payable to the Government of Bahrain	3,009	2,939
Trade payables	541	89
Advances from customers	283	200
Accrued expenses	3,798	3,918
Provisions	54	155
	<b>7,685</b>	7,301

**15 REVENUE**

	<b>2023</b>	2022
Container services	17,103	16,620
General cargo services	9,281	11,253
Marine services	9,552	9,384
	<b>35,936</b>	37,257

Revenue is generated only in the Kingdom of Bahrain.  
Revenue income from container services, general cargo services and marine services are recognized at a point in time.

**16 DIRECT OPERATING EXPENSES**

	<b>2023</b>	2022
Salaries and related costs	5,054	5,199
Subcontracting charges	2,723	2,880
Depreciation (Note 5)	2,231	2,182
Maintenance and repairs	1,767	1,420
Fuel and electricity	1,004	1,205
Amortization (Note 4)	442	424
Operational insurance	239	174
Equipment hiring charges	211	521
Customs duty and freight charges	70	45
(Reversal)/Charge for provision on inventories (note 6)	(49)	24
Other expenses	51	22
	<b>13,743</b>	14,096



**17 OTHER DIRECT EXPENSES**

	<b>2023</b>	2022
Royalty to Government of Bahrain	<b>9,926</b>	9,521

As per the concession agreement with the Government of Bahrain, the Company is required to pay royalty calculated as a percentage of the revenue to the Port and Maritime Affairs.

**18 GENERAL AND ADMINISTRATIVE EXPENSES**

	<b>2023</b>	2022
Salaries and related costs	2,286	2,210
Computer expenses	502	398
Management and administration fee	340	332
Security costs	242	235
Subcontracting charges	192	183
Corporate social responsibility	182	121
Office expenses	120	275
Legal and professional charges	96	74
Board of Directors' fee	81	76
Training expenses	59	41
Travel expenses	47	20
Communication expenses	31	27
Repair and accident claims	-	80
Other expenses	100	129
	<b>4,278</b>	4,201

**19 FINANCE EXPENSE**

	<b>2023</b>	2022
Financial liabilities interest expense	1,619	1,680
Bank charges	50	37
Lease interest expense	6	27
Foreign exchange loss / (gain), net	45	(48)
	<b>1,720</b>	1,696

**20 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 year excluding the average number of ordinary shares purchased by the Company and held as treasury shares, are as follows:

	<b>2023</b>	2022
Profit for the year (BD 000's)	7,537	8,316
Weighted average number of shares (000's)	90,000	90,000
Basic and diluted earnings per share (fils)	<b>84</b>	92

**21 APPROPRIATIONS**

The Board of Directors have proposed the following appropriations for the year 2023:

	<b>2023</b>	2022
Cash dividend proposed	<b>8,146</b>	7,883

At the Annual General Meeting of the shareholders held on 28 March 2023, the shareholders approved a cash dividend of BD 7,883 for the year ended 31 December 2022.

**22 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. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. All transactions with related parties are made on market terms with its associates. The following are the major transactions:

Description	Immediate Parent company	Group company and its subsidiaries	Entities which shareholders and/or directors have significant influence in	Total
<b>As at 31 December 2023</b>				
<b><u>Current Assets</u></b>				
<i>Due from related parties</i>				
Trade receivable	405	-	423	828
Other receivables	-	21	-	21
	405	21	423	849
Balances with Group Treasury (a)	25,033	-	-	25,033
<b><u>Non-Current Liabilities</u></b>				
<i>Due to related parties</i>				
Non-current portion of financial liabilities	-	15,461	20	15,481
<b><u>Current Liabilities</u></b>				
Trade payables	-	-	6	6
Other payables	6	54	1	61
Accrued expenses	2	194	3	199
Management fee payable	29	-	-	29
	37	248	10	295
Current portion of financial liabilities	-	1,183	31	1,214
<b>For the year ended 31 December 2023</b>				
<b><u>Income</u></b>				
Revenue	2,269	-	4,311	6,580
Finance income	1,063	-	-	1,063
	<b>3,332</b>	<b>-</b>	<b>4,311</b>	<b>7,643</b>
<b><u>Expenses</u></b>				
Marine Service Equipment	-	3,589	-	3,589
Management and administration fee	340	-	-	340
Computer expenses	381	-	-	381
Maintenance and repairs	-	-	12	12
Board remuneration	43	-	38	81
Other expenses	12	349	44	405

(a) The Company has maintained balances with Group Treasury pursuant to the technical services agreement whereby treasury advice and execution services are provided and earns an average interest of 5.39% p.a. (2022: 3.45% p.a.).

A cash outflow of BD 2,119 (2022: BD 2,135) related to lease rental payments were made to the Group company and BD 32 (2022: BD 32) to other shareholders during the year.

22 RELATED PARTY TRANSACTIONS (continued)

Description	Immediate Parent company	Group company and its subsidiaries	Entities which shareholders and/or directors have significant influence in	Total
As at 31 December 2022				
<u>Assets</u>				
<i>Due from related parties</i>				
Trade receivables	-	183	462	645
Interest receivable	260	-	-	260
Other receivables	-	72	-	72
	260	255	462	977
Balances with Group Treasury	25,199	-	-	25,199
<b><u>Non-Current Liabilities</u></b>				
<i>Due to related parties</i>				
Non-current portion of financial liabilities	-	17,004	51	17,055
<b><u>Current Liabilities</u></b>				
Trade payables	-	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
For the year ended 31 December 2022				
<u>Income</u>				
Revenue	2,390	-	5,427	7,817
Finance income	371	-	-	371
	<b>2,761</b>	<b>-</b>	<b>5,427</b>	<b>8,188</b>
<u>Expenses</u>				
Marine Service Equipment	-	3,576	-	3,576
Management and administration fee	332	-	-	332
Computer expenses	386	-	-	386
Maintenance and repairs	-	-	24	24
Board Remuneration	39	-	37	76
Other expenses	54	105	167	326

Other related party transactions for the year ended 31 December

Description	Parent/ Group company		Other related parties		Total	
	2023	2022	2023	2022	2023	2022
Purchase of inventories	-	-	12	20	12	20

## 22 RELATED PARTY TRANSACTIONS (continued)

### 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 year, having authority and responsibility for planning, directing and controlling the activities of the Company. The key management personnel compensation is as follows:

	2023	2022
Salaries and other short-term benefits	764	904
Post-employment benefits for the year	14	22
Board remuneration and sitting fees for the year	81	76
Post-employment benefits payable	32	66

## 23 SEGMENT 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 maker. 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 these financial statements.

## 24 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments include financial assets and financial liabilities. Financial assets of the Company include trade receivables, cash and cash equivalents, balances with Group Treasury, due from related parties and other financial assets. Financial liabilities of the Company comprise of trade and other payables, due to related parties and lease and other financial liabilities.

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk
- operational risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. The note also presents certain quantitative disclosures in addition to the disclosures throughout the financial statements.

**24 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

**a) Credit risk**

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation and cause the Company to incur a financial loss. The Company is exposed to credit risk primarily on its cash and cash equivalents, trade receivables, other receivables, balances due from related parties and balances with group treasury.

The significant receivables are from customers and balances with Group Treasury. The receivables from customers represent revenue billed to the customers.

The Company has a practice, which ensures that each new customer is analyzed individually for creditworthiness before the Company's standard payment conditions are offered. In addition, the Company has a practice of collecting bank guarantee for the entire credit limit approved for all the customers. There is no significant geographical concentration of credit risk involved in trade receivable balances and there was no concentration of credit risk on the local customers.

The Company considers that the trade receivable balances are of good credit quality as these are primarily:

- government-owned companies;
- well established private companies; or
- related parties with a good financial position.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit loss.

Company's credit risk on cash and cash equivalents is limited as these are placed with an international bank and Ahli United Bank.

There was no concentration of credit risk on the other receivables and due from related parties at the reporting date.

The Company has significant concentration risk in balances with the Group Treasury.

*(i) Exposure to credit risk*

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	<b>2023</b>	2022
Balances with banks	917	1,357
Trade receivables	1,724	1,671
Other receivables	126	148
Due from related parties	849	977
Balances with Group Treasury	25,033	25,199
	<b>28,649</b>	29,352

**24 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

**a) Credit risk (continued)**

*(ii) Impairment Losses*

The aging of trade receivables at the reporting date was:

	2023			2022		
	Gross	Weighted Average Loss Rate	Loss Allowance	Gross	Weighted Average Loss Rate	Loss Allowance
Current (not past due)	1,479	1%	9	1,171	1%	7
Past due:						
0-90 days	224	1%	2	402	1%	4
91-180 days	22	10%	2	39	10%	4
181-270 days	6	30%	2	93	30%	28
271-365 days	16	50%	8	18	50%	9
Over 365 days	472	100%	472	443	100%	443
	<b>2,219</b>	<b>22%</b>	<b>495</b>	<b>2,166</b>	<b>23%</b>	<b>495</b>

**b) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity risk may result from an inability to collect a financial asset within a reasonable period at close to its fair value.

The liquidity position of the Company is monitored by the Chief Executive Officer and the Chief Financial Officer. The Company ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The table below summarises the maturities of the Company's undiscounted financial liabilities at 31 December 2023 and 2022, based on contractual payment dates and current market interest rates.

	Carrying amount	Contractual Cash flows	6 months or less	7 - 12 months	1 - 2 years	More than 2 years
<b>2023</b>						
Trade and other payables	7,348	7,348	7,348	-	-	-
Due to related parties	295	295	295	-	-	-
Lease and other financial liabilities	24,015	33,099	2,157	1,232	3,337	26,373
	<b>31,658</b>	<b>40,742</b>	<b>9,800</b>	<b>1,232</b>	<b>3,337</b>	<b>26,373</b>
<b>2022</b>						
Trade and other payables	6,946	6,946	6,946	-	-	-
Due to related parties	618	618	618	-	-	-
Lease and other financial liabilities	25,544	36,151	2,035	1,129	3,022	29,965
	<b>33,108</b>	<b>43,715</b>	<b>9,599</b>	<b>1,129</b>	<b>3,022</b>	<b>29,965</b>

## 24 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

### c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

#### *(i) Interest rate risk*

Interest rate risk is the risk that the Company's earnings will be affected as a result of movements in interest rates.

The Company's interest rate risk is limited to its interest bearing balances with Group Treasury. Change in market interest rate will not have a significant effect on the carrying value of these balances due to the short-term characteristics of these balances and fixed interest rates.

#### *(ii) Foreign exchange risk*

Foreign exchange risk is the risk that the Company's earnings will be affected as a result of fluctuations in foreign currency exchange rates. The Company is exposed to currency risk on purchases of US Dollars. Majority of Company's transactions are in Bahraini Dinars and in US Dollars (USD), to which the Bahraini Dinars is currently pegged.

### d) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Company's operations.

The Company's objective is to manage risks so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorization of transactions.
- Requirements for the reconciliation and monitoring of transactions.
- Compliance with regulatory and other legal requirements.
- Documentation of controls and procedures.
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified.
- Requirements for the reporting of operational losses and proposed remedial action.
- Development of contingency plans.
- Training and professional development.
- Ethical and business standards.
- Risk mitigation, including insurance where this is effective.

**24 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

**e) Capital management**

The Board's policy is to maintain a strong capital base so as to maintain investor and Government's confidence and to be able to meet the requirements of the Khalifa Bin Salman Concession Agreement. The Board of Directors monitors that there is sufficient capital to ensure smooth working of the current operations and investments.

The Company monitors capital by monitoring the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings as shown in the statement of financial position less cash and cash equivalents. Total capital is the total equity, as shown in the statement of financial position, plus net debt. No gearing ratio was presented as the Company does not have any outstanding borrowings. There were no changes in the Company's approach to capital management during the year.

**f) Financial instruments by category**

At 31 December 2023 and 2022, all the Company's financial assets and financial liabilities were financial assets at amortised cost and financial liabilities at amortised cost, respectively, except for derivatives which are measured at financial assets through profit and loss. The classification of financial assets and liabilities, together with the carrying amounts presented in the statement of financial position, are as follows:

	<b>Financial assets at amortised cost</b>	<b>Financial assets at fair value through profit or loss</b>	<b>Financial liabilities at amortised cost</b>	<b>Total carrying value</b>
<b>31 December 2023</b>				
Trade receivables	1,724	-	-	1,724
Other receivables	126	37	-	163
Due from related parties	849	-	-	849
Balances with Group Treasury	25,033	-	-	25,033
Cash and cash equivalents	917	-	-	917
	<b>28,649</b>	<b>37</b>	<b>-</b>	<b>28,686</b>
Trade and other payables	-	-	7,402	7,402
Due to related parties	-	-	295	295
Lease and other financial liabilities	-	-	24,015	24,015
	<b>-</b>	<b>-</b>	<b>31,712</b>	<b>31,712</b>

	<b>Financial assets at amortised cost</b>	<b>Financial assets at fair value through profit or loss</b>	<b>Financial liabilities at amortised cost</b>	<b>Total carrying value</b>
<b>31 December 2022</b>				
Trade receivables	1,671	-	-	1,671
Other receivables	148	40	-	188
Due from related parties	977	-	-	977
Balances with Group Treasury	25,199	-	-	25,199
Cash and cash equivalents	1,357	-	-	1,357
	<b>29,352</b>	<b>40</b>	<b>-</b>	<b>29,392</b>
Trade and other payables	-	-	7,301	7,301
Due to related parties	-	-	618	618
Lease and other financial liabilities	-	-	25,544	25,544
	<b>-</b>	<b>-</b>	<b>33,463</b>	<b>33,463</b>



**25 FAIR VALUES 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 amortized cost category. Derivative financial instruments measured at fair value were Level 2 as per the fair value hierarchy.

**26 COMMITMENTS AND CONTINGENT LIABILITIES**

	<b>2023</b>	2022
Capital commitments	<b>4,241</b>	1,487
Contingent liabilities	<b>10</b>	10

**27 RECONCILIATION OF MOVEMENTS OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES**

	Liabilities	Equity			Total
	Lease and other financial liability	Share capital	Statutory reserve	Retained earnings	
Balance at 1 January 2023	25,544	9,000	4,500	8,492	47,536
Remeasurement of IFRS 16	(141)	-	-	-	(141)
<i>Changes from financing cash flows</i>					
Lease and other financial liability	(1,515)	-	-	-	(1,515)
Finance expense	(1,625)	-	-	-	(1,625)
Dividends paid	-	-	-	(7,883)	(7,883)
Total changes from financing cash flows	(3,140)	-	-	(7,883)	(11,023)
Liability-related changes	1,752	-	-	-	1,752
Equity-related changes	-	-	-	7,537	7,537
<b>Balance at 31 December 2023</b>	<b>24,015</b>	<b>9,000</b>	<b>4,500</b>	<b>8,146</b>	<b>45,661</b>

	Liabilities	Equity			Total
	Lease and other financial liability	Share capital	Statutory reserve	Retained earnings	
Balance at 1 January 2022	25,765	9,000	4,500	7,984	47,249
Effect of restatement	-	-	-	176	176
Remeasurement of IFRS 16	1,257	-	-	-	1,257
<i>Changes from financing cash flows</i>					
Lease and other financial liability	(1,478)	-	-	-	(1,478)
Finance expense	(1,707)	-	-	-	(1,707)
Dividends paid	-	-	-	(7,984)	(7,984)
Total changes from financing cash flows	(3,185)	-	-	(7,984)	(11,169)
Liability-related changes	1,707	-	-	-	1,707
Equity-related changes	-	-	-	8,316	8,316
Balance at 31 December 2022	25,544	9,000	4,500	8,492	47,536

**28 DERIVATIVES**

The Company has entered into foreign currency forward and swap contracts with a bank with nominal value of BD 24,704 (2022: BD 25,997) maturing within one year. The fair value as at the year end amounted to BD 37 (2022: BD 40) and is included under other assets.

## 29 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 corresponding amount to adjust for the correction of error in the prior year's financial statements. 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 manner) and the difference booked as a remeasurement to the Right of Use asset.

The earnings per share for the year ended 31 December 2022 increased from 88 fils to 92 fils as a result of the restatement.

**29 RESTATEMENT OF CORRESPONDING AMOUNTS (continued)**

Discrete effect on financial statements line items in the statement of financial position as at 31 December 2022, statement of profit or loss and other comprehensive income and cash flows statement for the year ended 31 December 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
<b>Total non-current assets</b>	<b>26,309</b>	<b>-</b>	<b>176</b>	<b>26,485</b>	<b>25,359</b>	<b>-</b>	<b>609</b>	<b>25,968</b>
<b>Total assets</b>	<b>56,536</b>	<b>-</b>	<b>176</b>	<b>56,712</b>	<b>55,710</b>	<b>-</b>	<b>609</b>	<b>56,319</b>
Retained earnings	7,984	-	176	8,160	7,883	-	609	8,492
<b>Total equity</b>	<b>21,484</b>	<b>-</b>	<b>176</b>	<b>21,660</b>	<b>21,383</b>	<b>-</b>	<b>609</b>	<b>21,992</b>
<b>Total equity and liabilities</b>	<b>56,536</b>	<b>-</b>	<b>176</b>	<b>56,712</b>	<b>55,710</b>	<b>-</b>	<b>609</b>	<b>56,319</b>

**Statement of profit or loss and other comprehensive income:**

	31 December 2022 (Previously reported)	Adjustment (B)	31 December 2022 (Restated)
Direct operating expenses	(14,297)	201	(14,096)
<b>Gross profit</b>	<b>13,439</b>	<b>201</b>	<b>13,640</b>
<b>Operating profit</b>	<b>9,315</b>	<b>201</b>	<b>9,516</b>
<b>Net finance costs</b>	<b>(1,432)</b>	<b>232</b>	<b>(1,200)</b>
<b>Profit for the period</b>	<b>7,883</b>	<b>433</b>	<b>8,316</b>
<b>Total comprehensive income for the period</b>	<b>7,883</b>	<b>433</b>	<b>8,316</b>

**Statement of cash flows:**

	31 December 2022 (Previously reported)	Adjustment (A)	Adjustment (B)	31 December 2022 (Restated)
Profit for the period	7,883	-	433	8,316
Amortization	2,478	(2,054)	-	424
Depreciation	329	2,054	(201)	2,182
Finance expenses	1,928	-	(232)	1,696
<b>Net cash generated from operating activities</b>	<b>11,136</b>	<b>-</b>	<b>-</b>	<b>11,136</b>
<b>Net cash used in investing activities</b>	<b>(351)</b>	<b>-</b>	<b>-</b>	<b>(351)</b>
<b>Net cash used in financing activities</b>	<b>(11,158)</b>	<b>-</b>	<b>-</b>	<b>(11,158)</b>
<b>Net decrease in cash and cash equivalents during the period</b>	<b>(373)</b>	<b>-</b>	<b>-</b>	<b>(373)</b>
<b>Cash and cash equivalents at end of the period</b>	<b>1,357</b>	<b>-</b>	<b>-</b>	<b>1,357</b>

29 RESTATEMENT OF CORRESPONDING AMOUNTS (continued)

Notes to the financial statements:

	31 December 2022 (Previously reported)	Adjustment (A)	Adjustment (B)	31 December 2022 (Restated)
Amortization	2,478	(2,054)	-	424
Depreciation	329	2,054	(201)	2,182

## Agenda Item 5 :

To approve the recommendation of the Board of Directors to allocate the dividends for the financial year ended 31 December 2023.

- Cash dividend of 90.511 fils per share or 90.51%, amounting to total dividend payment of BD 8,145,990 for the fiscal year ended 31 December 2023.

In this regard, below are the key dates to be taken note of:

Event	Date
<b>Cum-Dividend Date</b> (Last day of trading with entitlement to dividends)	28 March 2024
<b>Ex-Dividend Date</b> (First day of trading without entitlement to dividends)	31 March 2024
<b>Record Date</b> (The Day on which all shareholders whose names are on the share register will be entitled to dividends)	1 April 2024
<b>Payment Date</b> (The Day on which the dividends will be paid to the entitled shareholders)	16 April 2024



## Agenda Item 6 :

To approve remuneration of total amount of BD 62,000 to the members of the board of directors for the financial year ended 31 December 2023.

- As per the remuneration policy, the Chairman is entitled to remuneration of BHD 12,000 annually and other members of the Board are entitled to remuneration of BHD 10,000 annually.

Director Name	Fixed Fee
Soren S. Jakobsen	12,000
Fawzi Kanoo	10,000
Jesper Kjaedegaard	10,000
Mohamed Ebrahim Juma Alshroogi	10,000
Nadhem Saleh Al Saleh	10,000
Jonathan Goldner	10,000
Total	62,000



### Agenda Item 7 :

To discuss and ratify the Corporate Governance Report for the year ended 31 December 2023 in compliance with the requirements of the Central Bank of Bahrain and the Ministry of Industry, Commerce and Tourism.





An aerial photograph of a busy shipping yard. In the foreground and middle ground, there are numerous stacks of intermodal containers in various colors, including blue, red, green, and white. Many of the containers have logos for shipping lines such as CMA CGM, APL, HANJIN, and MITSUBISHI. A large blue gantry crane is visible in the upper left, with its cables and structure extending over the yard. In the background, there is a long, low industrial building with a white roof. The sky is clear and blue.

# 2023 CORPORATE GOVERNANCE REPORT

# CORPORATE GOVERNANCE REPORT

## COMMITMENT TO CORPORATE GOVERNANCE PRINCIPLES

The corporate governance framework sets the tone as to how the company operates in relation to its internal as well as external stakeholders. It defines the relationship between the Board of Directors, management, and the rest of the organisation. We, at APM Terminals Bahrain B.S.C., are committed to the highest standards of corporate governance.

The Company has appointed and elected a Board of Directors ("Board") including non-executive and independent directors and appointed a Corporate Governance Officer to ensure that the corporate governance principles are duly implemented and complied with.

The Company has Board approved policies for risk management, compliance, and internal controls, in accordance with the applicable laws, rules and guidelines. The Board's adherence to best practice in corporate governance is underlined by various principles such as transparency, integrity, independence, accountability, responsibility and fairness. The Board has adopted a Board of Director's Charter, together with the Company's Memorandum and Articles of Association as well as the Corporate Governance Manuals and Charters of Board Committees, that provide the authority and practices for corporate governance at APM Terminals Bahrain B.S.C.

The adoption and implementation of corporate governance is the direct responsibility of the Board. The Board is committed to excellence in corporate governance and adheres to rules of the High-Level Controls Module ("HC Module") of the Central Bank of Bahrain ("CBB"); and the principles of the Corporate Governance Code ("Corporate Governance Code") and Commercial Companies Law of the Kingdom of Bahrain.

## SHAREHOLDER'S INFORMATION

APM Terminals Bahrain B.S.C.'s shares are listed on the Bahrain Bourse. The Company has issued 90,000,000 ordinary equity shares, each with a nominal value of 100 fils. All shares are fully paid up.

### DISTRIBUTION OF SHAREHOLDING BY NATIONALITY AS OF 31 DECEMBER 2023

Nationality	No. of Shareholders	No. of Shares	Shareholding %
<b>Bahrain</b>	635	30,440,410	33.82
<b>Netherlands</b>	1	57,600,000	64
<b>Saudi Arabia</b>	13	208,737	0.23
<b>Oman</b>	3	521,974	0.58
<b>Kuwait</b>	5	385,197	0.43
<b>UAE</b>	1	361,566	0.4
<b>Others</b>	76	482,116	0.54
<b>Total</b>	<b>734</b>	<b>90,000,000</b>	<b>100</b>

OWNERSHIP ACCORDING TO PERCENTAGE/ NO. OF SHARES AS OF 31 DECEMBER 2023

Shareholding (share)	No. of Shareholders	No. of Shares	Shareholding %
<b>Less than 1%</b>	730	14,338,315	15.93
<b>1 % up to less than 5%</b>	2	3,661,685	4.07
<b>5 % up to less than 10%</b>	-	-	
<b>10 % up to less than 20%</b>	1	14,400,000	16.00
<b>More than 50%</b>	1	57,600,000	64.00
<b>Total</b>	<b>734</b>	<b>90,000,000</b>	<b>100</b>
<b>&lt; 50,000</b>	675	5,268,209	5.85
<b>50,000 to 500,000</b>	53	7,799,037	8.67
<b>Greater than 500,000 to 5,000,000</b>	4	4,932,754	5.48
<b>&gt;5,000,000</b>	2	72,000,000	80.00
<b>Total</b>	<b>734</b>	<b>90,000,000</b>	<b>100</b>

MAJOR SHAREHOLDERS (5% AND ABOVE) AS OF 31 DECEMBER 2023

Shareholder's Name	Ultimate Beneficiary	No. of Shares	% of shareholding
APM Terminals B.V.	Maersk Holding B.V.	57,600,000	64.00
Yusuf Bin Ahmed (Holdings) Co. W.L.L.	Various ultimate beneficiaries	14,400,000	16.00

Ownership by government

The Government of Bahrain does not hold any shares in the Company.

# CORPORATE GOVERNANCE REPORT

## BOARD OF DIRECTORS

### COMPOSITION OF THE BOARD

- The Board comprises of six directors as per the composition in the table below.
- The Board is composed of 100% male members and no female members currently serve on the Board of Directors.

Board Member	Type	Position	Term
<b>Soren Sjostrand Jakobsen</b>	Executive Director	<ul style="list-style-type: none"> <li>• Chairman of the Board</li> <li>• Member of the Board</li> <li>• Member of ARCC</li> </ul>	18 Jun 2013 to 12 Dec 2018 13 Dec 2018 to 30 Mar 2022 31 Mar 2022 to 30 Mar 2025
<b>Fawzi Ahmed Kanoo</b>	Executive Director	<ul style="list-style-type: none"> <li>• Vice Chairman of the Board</li> </ul>	20 May 2006 to 18 Jun 2012 31 Jul 2018 to 12 Dec 2018 13 Dec 2018 to 30 Mar 2022 31 Mar 2022 to 30 Mar 2025
<b>Jonathan Goldner</b>	Executive Director	<ul style="list-style-type: none"> <li>• Member of the Board</li> </ul>	10 Aug 2022 to 30 Mar 2025
<b>Jesper Kjaedegaard</b>	Non-Executive Director	<ul style="list-style-type: none"> <li>• Member of the Board</li> <li>• Member of NRG</li> </ul>	13 Dec 2018 to 30 Mar 2022 31 Mar 2022 to 30 Mar 2025
<b>Nadhem Saleh Al-Saleh</b>	Independent Director	<ul style="list-style-type: none"> <li>• Member of the Board</li> <li>• Chairman of ARCC</li> <li>• Member of NRG</li> </ul>	13 Dec 2018 to 30 Mar 2022 31 Mar 2022 to 30 Mar 2025
<b>Mohamed Bin Ebrahim Alshroogi</b>	Independent Director	<ul style="list-style-type: none"> <li>• Member of the Board</li> <li>• Member of ARCC</li> <li>• Chairman of NRG</li> </ul>	13 Dec 2018 to 30 Mar 2022 31 Mar 2022 to Mar 2025



Soren Sjostrand Jakobsen  
Chairman

- Soren has been with the Maersk and APM Terminals group for more than 42 years and has held various positions of importance within the group.
- Though having retired from the group in 2022, he still serves as a board member in a number of JV entities of APM Terminals in Asia, Middle East, Africa and Latin America.
- He has a bachelor's degree in shipping and business with various management programs including at IMD and INSEAD.



Fawzi Ahmed Kanoo  
Vice Chairman

- Fawzi is currently the Deputy Group Chairman of Yusuf Bin Ahmed Kanoo (Holdings) Co. W.L.L., a multi-national organisation, having offices throughout the Arabian Gulf and Saudi Arabia.
- He holds directorship in various companies internationally. Specifically, he holds directorships in public listed companies in Bahrain namely Gulf Hotels Group BSC, Bahrain Ship Repairing & Engineering Co. BSC and National Bank of Bahrain B.S.C.
- He holds a bachelor's degree in Business Administration from Southwest Texas State University.



**Jonathan (Jon) R. Goldner**  
Executive Director

- Jonathan has been part of the A.P. Moller-Maersk organization for over 26 years. He has been a member of APM Terminals' Executive Management Team for the last six years and currently serves as Chief Executive - Asia & Middle East.
- He has lived and worked in the U.S., China, Denmark, Netherlands, and Singapore in various leadership positions across APM Terminals, Maersk Line, and DAMCO. Prior to his current role, he served as CCO for APM Terminals globally.
- He attended Texas A&M University, has his Third Officers License, and received his MBA from Columbia University, New York. Jon is married, is a proud father of three, and is an active volunteer at St. George's Anglican Church.



**Jesper Kjaedegaard**  
Non-Executive / Non-Independent Director

- Jesper has spent more than 40 years in the maritime industry and is currently serving as an Advisor/Board member for several maritime related companies.
- He was previously global head of Maersk Line and is also past President of the British Chamber of Shipping and Chairman of Maritime, UK.
- He is a graduate from Copenhagen's Commercial College and has subsequently attended several Management Programs including AMP (Harvard).



**Nadhem Saleh Al Saleh**  
Independent Director

- Nadhem served at the University of Bahrain for 25 years where he assumed different academic & administrative positions. He has long years of experience in the areas of business administration, financial management and strategic planning.
- He is also a Board Member of Solidarity Bahrain B.S.C. and a Member of Board of Trustee of Kanoo Award for Creativity & Excellence.
- He holds a Ph.D. in Finance from Brunel University, England, MBA from University of Pennsylvania, USA and bachelor's degree in petroleum engineering from University of Baghdad, Iraq.



**Mohamed Bin Ebrahim Alshroogi**  
Independent Director

- Mohamed was Investcorp's Co-Chief Executive Officer. He joined Investcorp in 2009 as President of the Firm's Gulf Business. He oversaw the development of private equity investment business in the MENA and Turkey region.
- He has been a member of the Bahrain Shura Council, Member of the Board of Trustees at Bahrain University and a member of the Bahrain Economic Development Board.
- He studied at Kuwait University and the Harvard Management Executive Program.

## CORPORATE GOVERNANCE REPORT

### RESPONSIBILITIES AND DUTIES OF BOARD MEMBERS

The Board must review the quality and integrity of the Company's accounting and financial reporting practices. The Board must ensure that the Company's financial statements are prepared and reported in accordance with international financial reporting standards. The Board is accountable to the Shareholders for creation and delivery of strong sustainable financial performance and long-term Shareholder value. The Board works together as a team to provide strategic leadership to staff, ensure the organisation's fitness for purpose, set the values and standards for the organisation, and ensure that enough financial and human resources are available.

Transactions are carried out in accordance with the Company's Authority Matrix which lays down various levels of authority for the Board as well as the executive management. This includes strategic issues and planning, review of management structure and responsibilities, disposal of assets, investment policies, capital expenditure, policies, appointment of key officers, preparation of financial statements in accordance with international financial reporting standards, financing and borrowing activities and reviewing the adequacy and integrity of internal systems and the regulatory and control framework.

### ELECTION AND TERMINATION OF DIRECTORS

There are formal and transparent procedures for the appointment and election of new directors to the Board, in accordance with applicable laws. Candidates are appointed and elected based on merit, in line with the objectives of the Company and with due regards to the benefit of diversity on the Board.

The term of the current Board is for 3 years, commencing from 31 March 2022, unless terminated in accordance with the applicable laws in the Kingdom of Bahrain.

### DIRECTOR APPOINTMENT

As a member of the Board, each Director has signed a formal written appointment letter which covers among other things, the Director's duties and responsibilities in serving on the Board, the terms and conditions of their directorship, the annual remuneration, sitting fees and the right to access independent professional advice, when needed.

### INDUCTION AND TRAINING OF DIRECTORS

The Director's Board Charter recommends formal and tailored Director's induction program. The Chairman in coordination with the Secretary ensures that each new Director, upon appointment, receives a formal induction, to ensure his/her contribution to the Board from the beginning of their tenure.

The induction process includes meetings with the Executive Management, visits to the Company's facilities, presentations regarding significant strategic, financial, compliance and risk management related matters.

### DIRECTORS REMUNERATION POLICY

The Board of Directors' remuneration is governed by the provisions of the Commercial Companies Law 2001 and its amendments, and the CBB rulebook. Such remuneration and the remuneration policy requires approval by the Shareholders at the ordinary general meeting. In addition, the Board of Directors' remuneration is reviewed by the Nomination, Remuneration & Governance Committee as per the remuneration policy. Directors' remuneration is accounted as an expense as per international accounting standards.

As per the remuneration policy, the Chairman is entitled to remuneration of BHD 12,000 annually and other members of the Board are entitled to remuneration of BHD 10,000 annually.

#### **In addition to the fixed fee, the members of the Board are entitled to sitting fees as stated below:**

- For Directors residing in Bahrain, a sitting fee of BHD 500 for each face-to-face Board meeting
- For Directors residing outside Bahrain, a sitting fee of BHD 1,000 for each face-to-face Board meeting
- Sitting fee of BHD 250 for each Board meeting attended through video or audio conferencing or through remote participation
- Sitting fee of BHD 250 per committee meeting
- For Directors residing outside Bahrain, the Company shall provide return air tickets for traveling to Bahrain, accommodation and any other related expenses to attend the Board meetings of the Company. For Board meetings outside Bahrain, the Company shall provide air tickets, accommodation and any other related expenses for all travelling Board members. Class of air travel and accommodation will be in accordance with the Company's travel policy.
- For Board meetings held in 2023, the Board of Directors passed a resolution to waive the sitting fees for all Board meetings held for the purpose of approving financial results. Such are indicated with a \* in the table entitled DIRECTORS ATTENDANCE AT BOARD AND COMMITTEE MEETINGS.

## CORPORATE GOVERNANCE REPORT

### DIRECTOR'S REMUNERATION

In accordance with the Board remuneration policy, a total of BHD 81,500 for the year 2023 was paid to the Board of Directors as remuneration for their services as follows:

- BHD 62,000 as fixed fee
- BHD 19,500 as sitting fee

Director Name	Type	Term
<b>Soren S. Jakobsen</b>	12,000.00	4,500.00
<b>Fawzi Kanoo</b>	10,000.00	1,750.00
<b>Jesper Kjaedegaard</b>	10,000.00	3,750.00
<b>Mohamed Ebrahim Alshroogi</b>	10,000.00	2,750.00
<b>Nadhem Saleh Al Saleh</b>	10,000.00	3,500.00
<b>Jonathan Goldner</b>	10,000.00	3,250.00
<b>Total</b>	<b>62,000.00</b>	<b>19,500.00</b>

### BOARD COMMITTEES

In compliance with applicable laws, the Board has established an Audit, Risk and Compliance Committee ("**ARCC**") and a Nominating, Remuneration and Governance Committee ("**NRGC**").

#### 1. AUDIT, RISK AND COMPLIANCE COMMITTEE

The Audit, Risk and Compliance Committee has a written Charter approved by the Board of Directors ("**ARCC Charter**"). The ARCC Charter is an overall governing document laying out the roles and responsibilities of the Committee while ensuring compliance with the Corporate Governance Code and CBB Rulebook. As per the ARCC Charter, the committee shall meet at least four times a year. The External Auditor and Internal Auditor of the Company shall report directly to the Committee

#### A. Functions of ARCC

In accordance with the ARCC charter, the committee conducts the following functions:

- Review the quality and integrity of the Company's accounting and financial reporting practices
- Review the integrity of the Company's financial controls, internal controls and financial statements
- Review and monitor the Company's compliance with the relevant legal and regulatory requirements as well as the Code of Conduct of the Company
- Recommend appointment, compensation and oversight of the external auditor
- Recommend appointment of the internal auditor, including the approval of internal audit policies, plans and reports made thereof
- Review and approve various policies and procedures of the Company including the ones pertaining to risk management function, key persons dealing, market abuse, reports and plans submitted thereof in compliance with such policies and procedures
- Review and approve annual and interim financial statements of the Company, recommend for additional or specific audit requirements in relation to financial statements or other relevant aspects of the Company's business
- Recommend and table discussion on the management letter to be provided to the external auditor

#### B. Members of ARCC are as follows:

ARCC Members	Type	Position
<b>Nadhem Saleh Al-Saleh</b>	Independent	Chairman
<b>Mohamed Bin Ebrahim Alshoorgi</b>	Independent	Member
<b>Soren Sjostrand Jakobsen</b>	<b>Non-Independent</b>	<b>Member</b>

## CORPORATE GOVERNANCE REPORT

### 2. NOMINATING, REMUNERATION AND GOVERNANCE COMMITTEE

The Nominating, Remuneration and Governance Committee (NRGC) has a written Charter approved by the Board ("NRGC Charter"). The NRGC Charter is an overall governing document laying out the roles and responsibilities of the Committee while ensuring compliance with the Corporate Governance Code and CBB Rulebook. As per the NRGC Charter, the Committee shall meet at least twice a year.

#### A. Functions of NRGC

In accordance with the NRGC charter, the committee conducts the following functions:

- Ensure adherence to the principles of corporate governance
- Oversee the development and implementation of the Company's Corporate Governance Manual and other relevant governance policies of the Company
- Establish board structure, composition and impart training and induction to the directors
- Identify persons qualified to become members of the Board or Executive Management and any other officers of the Company which the Board considers appropriate, except for the appointment of the internal auditor, which is the responsibility of ARCC
- Make recommendations to the Board, including recommendations of candidates for Board membership (including reappointment) to be included by the Board on the agenda for the Shareholders' General Meeting
- Lead the Board in its annual review of the performance of the Board and its committees
- Review and make recommendations on Board candidates proposed by those substantial Shareholders eligible to propose a Director to represent such Shareholder on the Board
- Review the Company's remuneration policies for the Board and senior management, which must be approved by the Shareholders and be consistent with the Company's corporate values and strategy
- Make recommendations regarding remuneration policies and amounts for specific persons to the whole Board, taking account of total remuneration including salaries, fees, expenses and employee benefits
- Recommend Board Member remuneration based on their attendance and performance

#### B. Members of NRGC are as follows:

NRGC Members	Type	Position
<b>Mohamed Bin Ebrahim Alshoorgi</b>	Independent	Chairman
<b>Nadhem Saleh Al-Saleh</b>	Independent	Member
<b>Jesper Kjaedegaard</b>	<b>Non-Independent</b>	<b>Member</b>



## CORPORATE GOVERNANCE REPORT

### DIRECTORS ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

Board Meeting	20 Feb	8-Mar	11 May (i)	14 May (ii)	20-Jun	9 Aug	4-Oct	7 Nov	13 Dec
Soren S. Jakobsen	*	✓	*	*	✓	*	✓	*	*
Fawzi Ahmed Kanoo	*	✓	*	✗	✓	✗	✓	*	*
Jonathan R. Goldner	*	✓	✗	*	✓	*	✓	✗	*
Jesper Kjaedegaard	*	✓	*	*	✓	*	✓	*	*
Mohamed Bin Ebrahim Alshroogi	*	*	*	*	*	*	✓	*	*
Nadhem Saleh Al Saleh	*	✓	*	*	✓	*	✓	*	*

ARCC Meeting	20 Feb	11 May (i)	14 May (ii)	9 Aug	7 Nov
Nadhem Saleh Al Saleh	*	*	*	*	*
Soren Sjostrand Jakobsen	*	*	*	*	*
Mohamed Bin Ebrahim Alshroogi	*	*	✗	*	*

NRGC Meeting	28 Feb	15 Jun
Mohamed Bin Ebrahim Alshroogi	*	*
Nadhem Saleh Al Saleh	*	*
Jesper Kjaedegaard	*	*

✓ Physical Attendance | ✗ Absence | \* Virtual Attendance

### DIRECTOR'S SHAREHOLDING

No members of the Board, their spouses and sons own any shares in the Company except as follows:

Director's Name	Position	Direct Shareholdings	% of direct shareholding	Indirect Shareholding	% of indirect shareholding
Nadhem Saleh Al Saleh	Independent Director	2,000	-	18,244	0.0002

### DIRECTOR'S TRADING OF COMPANY SHARES DURING THE YEAR

None.

### EVALUATION OF BOARD'S PERFORMANCE

In accordance with the Board Charter, the Board conducts annual review and evaluation of performance of Board and its committees in accordance with CBB guidelines. Performance of the Board in 2023 has been satisfactory.

### INDEPENDENCE OF DIRECTORS

In line with the requirements of the HC Module, the Company has put in place Board-approved criteria to determine 'Independence' using formal requirements as specified in the CBB rule book. The independent directors disclose personal interests on a regular basis. Such determines whether the Director is independent of management and any business or other relationships, which could materially interfere with the Director's ability to exercise objective, unfettered or independent judgement; or the Director's ability to act in the best interests of the Company.

# CORPORATE GOVERNANCE REPORT

## EXECUTIVE MANAGEMENT



**Matthew Luckhurst**  
Chief Executive Officer  
(CEO)

- Mathew was appointed Managing Director for the company effective 2nd of July 2023.
- Matthew, a British national, joins APM Terminals from his current role as Vice President for Container Shipping at Milaha based in Qatar.
- His previous roles include Vice President of Bahri Logistics in Saudi Arabia and Managing Director United Africa Feeder Line out of Mauritius.
- Additionally, Matthew held multiple roles with P&O Nedlloyd and Maersk Line, across East Africa, Indonesia, Korea and Japan, as well as roles with Kuehne & Nagel in Kenya.



**Farooq Zuberi**  
Chief Financial Officer  
(CFO)

- Farooq joined the Company as CFO in June 2018. He is responsible for APMTs Bahrain's Accounting & Finance, Investor Relations, Legal Affairs & Procurement. In addition, he is also leading the decarbonization efforts for the company to reduce their carbon emissions and achieve net-zero.
- Prior to joining the Company, he has worked in senior leadership roles with Global Fortune 500 companies across several industries.
- He has worked with PwC, Unilever, GSK & Emirates Group in roles covering finance business partnering, project delivery & strategic initiatives.
- He is a Chartered Accountant from ICAP as well as Chartered Certified Accountant from ACCA – UK.



**Isa Al-Qetami**  
Chief Government and  
Security Affairs Officer (CGSO)

- Isa joined the company as the Chief Government and Security Affairs Officer in 2015.
- He has an extensive 34-years of experience within the government sector; fostering strong relationships between various government authorities and the private sector.
- His expertise in logistics, aviation maintenance and government relations cultivated from his distinguished service as a Colonel in the Bahrain Defense Force under the Bahrain Royal Air Force.
- Since joining APM Terminals Bahrain in 2015, he has been a vital member of the company's strategic leadership team, driving coordination with various government authorities to enable the smooth functioning of the port.



**Abdelrahman Elshamy**  
Chief Operating Officer  
(COO)

- Abdelrahman has an overall international experience of 18 years in ports and logistics industry.
- He completed his bachelor's degree in law from University of Alexandria, Egypt.
- He is a Certified Lean and Six Sigma Black Belt from Accenture, Netherlands, Certified TPM Facilitator from TPM Club India, Certified Lean Trainer from APM Terminals HQ in the Hague, Netherlands, and Certified Leader of Leaders, Maersk Leadership Center, Rolighed, Denmark.

## CORPORATE GOVERNANCE REPORT



**Aryavansh Shukla**  
Chief Commercial Officer  
(CCO)

- Aryavansh joined APM Terminals in December 2023. He has international experience of over 10 years in ports and logistics with a large focus on the Middle East.
- Prior to joining APM Terminals, he has held commercial leadership positions with JM Baxi Ports & Logistics and Hutchison Ports.
- He holds a MBA in Finance and Entrepreneurship, from Amity Business School, India as well as a Bachelor of Engineering from the University of Leeds, United Kingdom.



**Yosra Abdulla**  
Head of People Function  
- Bahrain

- Yosra joined APM Terminals Bahrain in November 2019. She started her career back in 2004 in a family business industry with Khalil Bin Ebrahim Kanoo.
- 16 out of Yosra's 20 Years of work experience has been in the field of Human Resources. She is a BSc. Degree holder in International Studies, Certified in establishing fair recruitment processes – ILO and also an Advanced Lean Practitioner. Additionally, she is a qualified trainer, a certified John Maxwell's coach and a passionate youth mentor.
- Her experience also includes a global touch with her involvement in major projects abroad, the most recent being the successful completion of her Short-Term Assignment in the Hague, Netherlands.
- She enjoys working with Talent Management, Transformational Projects, strategy development and implementation and employee relations with core strengths in driving for results while maintaining a high team engagement.



**Karl Gnonlonfin**  
Head of HSE and  
Transformation

- Karl has been part of APM Terminals since 2005 and joined APM Terminal Bahrain in 2021.
- He has 17 years of experience with APM Terminals on various Terminal Operations and Safety senior Leadership roles and his areas of expertise are Port and Terminal Operations, workplace Health & Safety Management as well as Lean Leadership and management.
- He holds a Master's degree in Environment Management and NEBOSH International General Certificate in Health & Safety. He is a certified PFSO, a certified Lean Six Sigma Green Belt and a Lean Six Sigma Black Belt trained as well as a certified Leader of Others and Leader of leaders. Karl is a 2008 Magnet graduate and a 2018 Magnum graduate.



**Ahmed Gamal**  
Head of Asset Maintenance

- Ahmed has been part of APM Terminals since 2011 and joined APM Terminal Bahrain in 2013. He has an overall experience of 16 years in the field of Maintenance Management and Asset Management for ports and heavy equipments.
- He holds a Master's degree in Mechanical Engineering from University of Alexandria, Egypt.
- He is Certified Asset Management Assessor, certified Lean and Six Sigma Green & Black Belt, Certified Maintenance & Reliability Professional from society of maintenance and reliability "SMRP" and Certified TPM Facilitator from TPM Club India

## CORPORATE GOVERNANCE REPORT

### EXECUTIVE MANAGEMENT SHAREHOLDING

Executive Management	Position	No. of Shares
<b>Matthew Luckhurst</b>	Chief Executive Officer	-
<b>Farooq Zuberi</b>	Chief Finance Officer	4,546
<b>Isa Al Qetami</b>	Chief Government and Security Affairs Officer	-
<b>Abdelrahman Elshamy</b>	Chief Operating Officer	-
<b>Aryavansh Shukla</b>	Chief Commercial Officer	-
<b>Yosra Abdulla</b>	GM, Human Resources	-
<b>Karl Darius Gnonlonfin</b>	Head of HSE and Transformation	-
<b>Ahmed Gamal</b>	Head of Asset Maintenance	-

### TOTAL REMUNERATION PAID TO KEY EXECUTIVE OFFICERS

Total remunerations paid to the top 6 executive management members for the year 2023, including salaries, benefits, allowances, increases, etc. is ~BHD 744,000

### REMUNERATION AND PERFORMANCE-LINKED INCENTIVES

The Company's remuneration policy for its executive management and its employees is designed to attract, retain and motivate qualified and talented professionals. The Company does not currently have any share ownership or option schemes for its employees.

### CORPORATE GOVERNANCE FRAMEWORK

Company's Corporate Governance framework comprises of Board and Committees Charters, Whistle Blowing Policy, Code of Conduct, Corporate Social Responsibility Policy, Standard Operating Policies and Procedures (SOPs), internal controls and risk management process/systems; compliance procedures; internal and external audit; effective communications and transparent disclosure; and measurement and accountability.

In order to ensure good governance, the Company has appointed a corporate governance officer, a company secretary, internal auditors and external auditors, who directly report to the Board of Directors.

A Corporate Governance Report is submitted by the Corporate Governance Officer (Compliance Officer) annually to the NRGC and to the Board of Directors.

### LEGAL MANAGER, CORPORATE GOVERNANCE OFFICER, COMPANY SECRETARY AND INVESTOR RELATIONS OFFICER

Name	Qualification	Contact Details
<b>Dana Abdulrahman Alsendi</b>	LLB Law (University of Leicester), LLM International Corporate Governance & Financial Regulation (University of Warwick), Qualified in the Kingdom of Bahrain	1736 5512

## CORPORATE GOVERNANCE REPORT

### EXTERNAL AUDITORS

Pricewaterhouse Coopers Middle East Limited (PwC) have been the external auditor of the Company for the Financial Year 2023.

Pricewaterhouse Coopers Middle East Limited (PwC) have been appointed as external auditors since 2021. PwC have operated in the Middle East region for more than 40 years. Collectively, PwC Middle East network employs in the region more than 6,000 people including 267 partners working from 23 offices (in 22 locations) across 12 countries.

PwC's services have been satisfactory throughout their engagement with us. The ARCC reviews the appointment of the external auditors, as well as their relationship with the Company, including monitoring the Company's use of the auditors for non-audit services. Please see the details in the table below:

Name of the audit firm %	PwC Middle East
<b>Years of service as the Company's external auditor</b>	Three years
<b>Name of the partner in charge of the Company's audit</b>	John Molloy
<b>The partner's years of service as the partner in charge of the Company's audit</b>	Three years
<b>Audit and related services fee for the FY year 2023 (BHD)</b>	26,194
<b>Non-audit service fee</b>	1,400

### INTERNAL AUDITOR

The Board has appointed BDO Consulting WLL as Company's Internal Auditor. BDO Bahrain was established in 1980. BDO is one of the leading accounting and advisory firms in Bahrain. A thorough internal audit plan was prepared by BDO for financial year 2023, which was approved by ARCC. The Internal Auditor conducted audits in accordance with the approved audit plan throughout the year and submitted reports to ARCC for review, approval and relevant actions.

### CORPORATE COMMUNICATIONS

Company conducts all communications with its stakeholders in a professional, honest, transparent, understandable, accurate and timely manner. Main communications channels include the Company website, regular regulatory announcements in the local media and Bahrain Bourse and the Annual Report.

### RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST

The Company is party to a number of agreements and arrangements with its shareholders and other related parties. The Company has in place and acts in accordance with a robust Corporate Governance Manual which governs related party transactions. Standard operations procedures and approvals are followed for all contracts that are entered into, to seek and ensure that there are no conflicts or preferences given to any specific entity.

The Directors make every practicable effort to arrange their personal and business affairs to avoid a conflict of interest situation with the Company. The Directors are required to disclose their interests in other entities or activities to the NRGC committee on an annual basis and inform the Company of any conflict of interest whenever it arises and abstain from voting on any related subject matter.

The related party transaction details are disclosed in Note 22 to the Financial Statements.

The Company has entered into the following related party transactions in the financial year 2023.

## CORPORATE GOVERNANCE REPORT

### RELATED PARTY TRANSACTIONS

S.N	Entity Name	Expenses (BHD'000)	Revenue (BHD'000)	Justification
<b>APM Terminals B.V. Related Transactions</b>				
1	Maersk A/S.	12	-	FTE outsourcing to assist in reporting
2	Svitzer Bahrain (S.P.C)	3,588	-	Marine services obtained pursuant to sub concession agreement.
3	Aqaba Container Terminal	3	-	Expenses - mainly training related
4	APMT Management B.V.	671	-	Services provided pursuant to Technical Service Agreement: mainly IT related services.
5	APM Terminals Apapa Limited	41	-	Expenses - mainly staff cost
6	APM Terminals Crane & Engineering Services Limited	8	-	Expenses - mainly inspection of equipment
7	Maersk Training DWC	5	-	Expenses - mainly training related
8	APM Terminals B.V.	340	-	Services provided pursuant to Technical Service Agreement: mainly management fees
9	A.P. Møller - Mærsk A/S	2	1,063	Interest earned on excess cash deposited with group
<b>APM Terminals B.V. and Yusuf Bin Ahmed Kanoo (Holdings) Co. W.L.L. Related Transactions</b>				
10	Maersk Kanoo Bahrain W.L.L.	-	2,269	Services provided as business as usual and governed by standard terms
<b>Yusuf Bin Ahmed Kanoo (Holdings) Co. W.L.L. Related Transactions</b>				
11	Al Manhal Water Factory	5	-	Lowest bidder among all qualified suppliers. Also, reliable delivery and quality
12	Bahrain Int'l Cargo Services	-	129	We also provide space for storage for certain special general cargo at agreed price
13	APL (Bahrain) W.L.L.	-	1,576	Services provided as business as usual and governed by standard terms
14	Hapag-Lloyd Bahrain Co. W.L.L.	-	2,270	Services provided as business as usual and governed by standard terms
15	Yousuf Bin A. Kanoo	44	336	<ul style="list-style-type: none"> <li>Services provided as business as usual and governed by standard terms</li> <li>Only dealer of hyster and cummins forklift for spares</li> <li>Leasing of 3Ton forklift for 5 Years, selected after getting multiple quotations and found competitive prices and technically approved.</li> </ul>
16	Kanoo Travel	7	-	Travel related expenses

## CORPORATE GOVERNANCE REPORT

In addition to the foregoing, pursuant to the treasury advisory function provided by APM Terminals Management B.V. and Board approval, the Company deposits its excess cash with the parent company A.P. Moller-Maersk of its major shareholder (APM Terminals B.V.). The Company, as of 31 December 2023, has deposited ~BHD 25M with A.P. Moller-Maersk A/S. The deposits are excess cash which are deposited as part of the treasury advisory and execution services provided by APM Terminals Management B.V. under the technical services agreement and direct agreement with the Company. These deposits offer interest rate benchmarked to the USD Libor along with foreign currency swap contracts with an additional premium such that the Company earns an annualized Net All-in-Yield of ~0.25% over the deposit rate offered by one of the international banks.

None of the directors appointed by the APM Terminals B.V. participated in voting in relation to this transaction.

### COMPLIANCE WITH HC MODULE AND CORPORATE GOVERNANCE CODE

The Company is in compliance with the Corporate Governance Code and HC Module except for the following:

- HC- 1.4.6 and HC 1.4.8 of HC Module and Principle 1 First (a) (3) of Corporate Governance Code stipulates that the Chairman of the Board of Directors should be an independent director. Effective August 2022, Soren S. Jakobsen, an executive director has been elected Chairman of the Board. This is to ensure that APM Terminals will be able to deliver its obligations under the direct agreement, it has entered with the Government for management and operations of KBSP and the support that APM Terminals is required to provide. However, this does not compromise high standards of corporate governance as the Company follows strict policies to manage conflict of interest in Board decisions.

### MANAGEMENT ANALYSIS AND PRINCIPAL RISKS

On 8 November 2006, the Company signed a 25-year Concession with the Government of Bahrain ("Concession") with numerous rights as listed in the Concession. Due to continuation of pandemic and various other global business factors FY 2023 faced certain principal risks and uncertainties which includes the following:

#### KEY PERFORMANCE INDICATORS (KPIs)

The Company is required by clause 13 of the Concession Agreement to adhere to certain minimum KPI's. There are four KPI targets set in relation to (i) vessel working rate (ii) crane rate (iii) labour rate and (iv) throughput per berth meter (each as defined and described in the Concession Agreement).

If the Company fails to meet one or more of the KPIs for a period of 4 years or any further years thereafter, except as a result of force majeure, then the Nominated Percentage element of the Revenue Charge (i.e. an element in the calculation of the Revenue Charge payable by the Company to the Government in consideration of the rights granted by the Government to the Company under the Concession Agreement) will be increased by an additional 1% above the level set out in the Agreement for such fourth year of failure and by a further 1% for each further year's failure thereafter. Such additional charges will continue until the Company produces a KPI report demonstrating compliance with the relevant KPIs in respect of the applicable year. This additional charge was applied in 2017 and 2018. However, the Company has successfully achieved all KPIs for the financial years 2019 and 2020 and accordingly no additional charge was applied in 2020 in relation to the KPI targets. The Company has not met its 'throughput per berth meter' KPI target in 2021, however, no penalty was imposed on the 2021 Revenue Charge, in accordance with the Concession Agreement. The Company has successfully met all KPIs for the financial year 2022. The Company has successfully achieved the 'throughput per berth meter' and 'labour rate' KPIs for the financial year 2023, however, did not meet the 'vessel working rate' and 'crane rate' KPIs.

Failure to meet KPIs for a period of 5 consecutive years would also constitute an event of default under clause 33.1 of the Concession Agreement which provides a right of termination of the Concession on the part of the Government, should it choose to exercise it.

## CORPORATE GOVERNANCE REPORT

### TRANSHIPMENT TARGET

One of the requirements of the Concession Agreement is that the Company must meet certain annual transshipment volumes. According to the Concession Agreement, in the event that the transshipment target for the year 2015 or any later year shows that the average level of transshipment at KBSP, over the previous four consecutive years, has failed to meet 60% of the transshipment targets set in relation to those four years (taken on an average basis over the relevant four year period) then the Government shall have the right, but not the obligation, to terminate the Concession Agreement as an event of default by the Company on 30 days' notice. The right of the Government to terminate does not apply in the event that Company can demonstrate to the Government's satisfaction both:

- That it has taken all reasonable steps (including expenditure of time and money) to market KBSP so as to secure transshipment business for KBSP during the four consecutive years in question; and
- That, notwithstanding the efforts of Company, external economic or other factors beyond Company's and APM Terminals control have prevented Company from achieving the required level of transshipment volume at KBSP.

Since commercial operations began at KBSP, Company has failed to meet the transshipment volumes required under the Concession and is therefore at risk that the Government may terminate the Concession Agreement. However, the Ministry of Transportation and Telecommunication issued a letter to the Company, dated 28 June 2015, in which the Ministry stated that it shall not apply the termination right in the Concession so long as the Company continues its efforts to reach the required transshipment level and the Ministry is comfortable with the Company's efforts.

### COMPLIANCE RISK

Noncompliance with laws, regulations, rules, prescribed practices or contractual agreements can result in reputational loss, limited business opportunities and cessation of operations. The Company ensures adherence to all applicable regulations, including regulations prescribed by CBB and Bahrain Bourse. Besides, Company internal policies and code of conduct are in line with international business standards ensuring that best practices are adopted and implemented by the Company.



# CORPORATE SOCIAL RESPONSIBILITY



# CORPORATE SOCIAL RESPONSIBILITY

APM Terminals aims to be the leader in its sector. At the same time, it recognizes that leadership and success go beyond the bottom line to incorporate the principles of sustainable business practice.

The group also measures its progress according to its safety record, its environmental performance, and its contribution towards uplifting its people and their communities.

APM Terminals Bahrain believes that its contribution to society extends beyond the port and extends to the ongoing development of the local community.

We have a regular program of social engagement, including outreach programs for disadvantaged children, placement schemes for young students, and contribution of our time and other resources to help the local communities develop.

The total amount spent on Corporate Social Responsibility for the year 2023 is -BHD 181,743.72 in addition to time devoted by members of the Company. The Corporate Social Responsibility Policy of the Company sets out the Company's commitment to continuing its efforts to incorporate sustainability into its business process. The Company's approach to corporate social responsibility is led by the executive management, headed by the CEO.

APM Terminals Bahrain is committed to integrating its own community-based activities as well as supporting those of its employees.



## CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

### *Socio-Economic Development*

Social responsibility is one of our main sustainability pillars. We recognize the importance of being a good corporate citizen, contributing to local communities and making a difference to their wellbeing. Equally, we believe in improving people's quality of life and thus investing in the future of our country.

*APM Terminals Bahrain is committed to ensuring that its socio-economic investments have a sustainable impact on the local community. APM Terminals has sponsored and participated in various charity events that were all for a good cause. Employees are also encouraged to take part in such events..*

## CORPORATE SOCIAL RESPONSIBILITY

# GO GREEN WEEK

APM Terminals Bahrain organised its Go Green initiative. The week-long series of activities were in partnership with key stakeholders such as Svitser.



The main focus was to raise awareness about the sustainable utilization of resources and highlight the importance of the 3Rs: Reduce, Reuse, and Recycle.

As a part of the campaign, the Company held environmental sessions for the children of our employees, and carried out port clean-up activities and informative sessions throughout the port.



# CORPORATE SOCIAL RESPONSIBILITY

## SOLAR PROJECT



APM Terminals Bahrain announced the launch of a ground-breaking solar power project worth approximately BHD3.8 million (USD 10 Million), which will make the port energy self-sufficient in 2024.

By implementing this project, the port will reduce its carbon emissions by 65% while also securing a reliable and sustainable source of energy, effectively making Khalifa Bin Salman Port the region's first fully energy-sufficient seaport.

The solar power project is part of APM Terminals' global decarbonisation plans, which aim to reduce greenhouse gas emissions by 70% by 2030 and achieve net zero by 2040. As a subsidiary of A.P. Moller-Maersk, APM Terminals is committed to leading the way in promoting sustainability within the maritime industry, and the solar power project in Bahrain is one of the main pillars in its overall decarbonisation journey.



Furthermore, the driving force behind the solar power initiative is in line with the vision of His Majesty King Hamad bin Isa Al Khalifa for a more prosperous and sustainable Bahrain, and follows the carbon-neutral commitment made by the Crown Prince and Prime Minister, His Royal Highness Prince Salman bin Hamad Al Khalifa to reduce the Kingdom's emissions by 30% by 2035 and achieve net zero by 2060.





In collaboration with the Ministry of Transportation & Telecommunications, APM Terminals has launched its nationwide Acceleration Program with both its tracks:

#### THE LEADERSHIP TRACK:

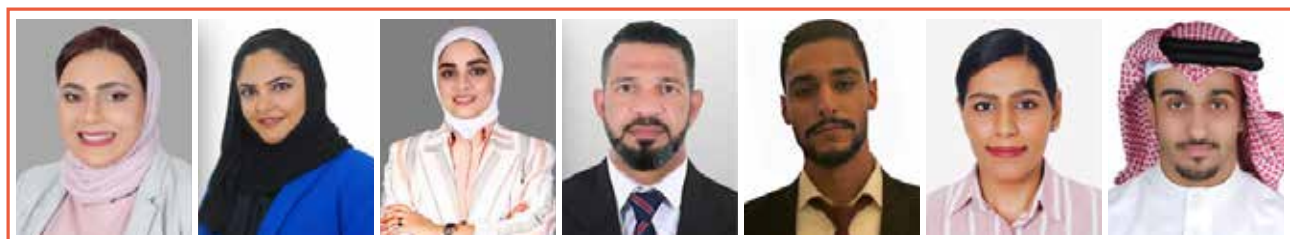
4 leaders have joined APM Terminals Bahrain in 2022 in an initiative to support people who have lost their jobs due to the Covid-19 Pandemic and those who are looking for a career in the logistics field. This initiative is a 2-year development program with an employment opportunity to be mentored, developed, and be prepared to become the future leaders in the Logistics Industry. This covers areas including Asset Management, Human Resources, Port Operations, Transformation, and Health, Safety & Environment.

The program has started in May 2022 and continues for 2 years until April 2024.

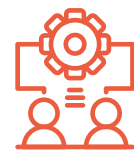
#### THE YOUTH TRACK:

Aiming to re-ignite the passion of Maritime and ensure strong Bahraini caliber are the right candidates for future careers in the industry, APM Terminals Bahrain launched a full scholarship program where 3 students have been chosen amongst over 100 applicants between the ages of 20 and 30 to undergo a Level 3 Diploma, Deck Officer Training at South Tyneside College, UK. The selection has gone through an extensive process to determine the top 3 students and it included members of APM Terminals Bahrain, Ministry of Transportation & Telecommunications and Bahrain Polytechnic.

The program includes alternate phases of academic studies at the College and sea-time apprenticeship aboard a Maersk Vessel. It continues until 2025-2026 where the students shall take the certifying exam after which they become officially certified Deck Officers.



# CORPORATE SOCIAL RESPONSIBILITY INTERNSHIP PROGRAM



As part of our commitment towards giving back to the community, developing our Youth, and being active in our contribution to Bahrain's Vision 2030, and in addition the Talent Acceleration Program, APM Terminals Bahrain offers university students the opportunity to gain the required course credits and work experience as part of their curriculum.

What makes APM Terminals Bahrain's program different is the practical working experience for a minimum of one month based on mutual agreement that also includes mentoring, upskilling their knowledge, training them on Project Management Tools, and certifying them as Lean Practitioners.

In 2023, a total of 10 students out of which 9 were from the Bahrain Polytechnic University have been offered the opportunity to work on different real-life projects in the Terminal Operations, Commercial, Health & Safety, and Human Resources.



As we conclude the Corporate Governance Report 2023, APM Terminals Bahrain reaffirms its commitment to transparency, responsible business practices and the highest standards of corporate governance. We extend our gratitude to our shareholders, regulators and all stakeholders for their continued support.

For any additional information, please contact our Investor Relation department.

On behalf of APM Terminals Bahrain BSC

Soren S. JakobSen

Chairman of the Board of Directors

### Agenda Item 8 :

To review related party transactions entered by the company for the financial year ended 31 December 2023 as set out in note 22 of the financial statements in line with article 189 of the Commercial Companies Law.

(As detailed in the Corporate Governance Report)



## Agenda Item 9

To discharge the Board of Directors from their liability in respect of management of the company for the year ended 31 December 2023.





## Agenda Item 10 :

Appointment of the external auditors for the financial year ending 31 December 2024 and authorizing the Board of Directors to determine their fees.

- The Board of Directors proposes the appointment of KPMG Fakhro as External Auditors of the Company for the year ending 31 December 2024.
- The reason for the change in External Auditors is for the purpose of enhancing good governance practices and ensuring independence and objectivity, considering that 3 years have passed since the last change of audit firm.



## Agenda Item 11 :

Any other business in accordance with article 207 of the Commercial Companies Law.





APM Terminals Bahrain B.S.C.  
5<sup>th</sup> Extraordinary General Assembly  
27 March 2024

**Agenda Item 1:**

To approve the minutes of the Extraordinary General Assembly Meeting held on 9 September 2021.



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**MINUTES OF THE EXTRA ORDINARY GENERAL MEETING OF THE SHAREHOLDERS  
OF  
APM TERMINALS BAHRAIN B.S.C  
HELD ON THURSDAY, 9th September 2021 AT 11:30 A.M.**

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The Extraordinary General Meeting (the "Meeting") was held via video conferencing on 9 September 2021 at 11:30 AM and attended by the following:

**SHAREHOLDERS:**

SHAREHOLDER	PROXY	SHARES	SHAREHOLDING
<b>APM Terminals B.V.</b>	Hasan Mahmood Mansoor Mohamed Hasan AlKoofi	57,600,000	64.000%
<b>Yusuf Bin Ahmed Kanoo (Holdings) Co. W.L.L</b>	Fatema Hasan	14,400,000	16.000%

**BOARD OF DIRECTORS OF THE COMPANY**

- Soren Sjostrand Jakobsen - Chairman
- Fawzi Ahmed Ali Kanoo – Vice Chairman
- Jesper Kjaedegaard – Non-Executive Director
- Mohammed Al SHroogi – Independent Director
- Nadhem Saleh Al Saleh – Independent Director

**MANAGEMENT OF THE COMPANY:**

- Maureen Bannerman - Chief Executive Officer
- Farooq Zaheer Zuberi - Chief Financial Officer
- Mihir Ranjan Mishra – Chief Commercial Officer
- Bharat Mehta - Legal Manager, Corporate Governance Officer, Company Secretary and Investor Relations Officer

## MINISTRY OF INDUSTRY, COMMERCE AND TOURISM (MOICT)

- Maryam Khaled Alchuban

## CAPITAL MARKET SUPERVISION DIRECTORATE - CENTRAL BANK OF BAHRAIN (CBB)

- Hussain Mohamed
- Hesa AlMannai

## BAHRAIN BOURSE - Listing & Disclosure

- Nejood AlSharqawy

## BAHRAIN CLEAR, SHARE REGISTRAR

- Hussain Ali Haji - Senior Administrator

## NOTICE AND QUORUM

Notice having been given to the Shareholders for the Meeting of Shareholders of the Company. The Meeting commenced at 11.30 A.M via video conference through Zoom. The Share Registrar confirmed in writing that the Meeting is attended by shareholders representing 80.00% of the share capital of the Company. Accordingly, it was confirmed that the Meeting has the required quorum and therefore the Meeting is in order to transact the business as listed on the Agenda circulated to all the shareholders.

Mr. Soren Jakobsen was designated Chairman of the Meeting (the "**Chairman**").

## WELCOME ADDRESS BY THE CHAIRMAN

For and on behalf of the Board of Directors of the Company, the Chairman welcomed the Shareholders, representatives of MOICT, CBB, Bahrain Bourse, Share Registrars and all others in attendance.

## RESOLUTIONS

Mr. Jakobsen then proceeded with the Agenda items 1 & 2 of the Meeting for approval.

### AGENDA ITEM 1:

**To review and approve the minutes of the Extraordinary General Assembly Meeting of Shareholders held on 25 March 2020.**

**WITH DUE CONSIDERATION** of the Shareholders, it was unanimously RESOLVED that the minutes of the Extraordinary General Assembly Meeting of Shareholders held on 25 March 2020 is hereby approved and confirmed in all aspects and be filed in the Company's books and records.

### AGENDA ITEM 2:

**To review and approve, subject to the applicable regulatory approvals from the relevant regulators,** further to the recommendation and decision of the Board of Directors to incorporate "Freight transport by road - Internal Transport of goods" as one of the objects of the Company.

**WITH DUE CONSIDERATION** of the Shareholders, it was unanimously RESOLVED that adding "Freight transport by road" – Internal Transport of goods" as one of the objects of the Company is hereby approved and confirmed in all aspects.

Mr. Bharat Mehta presented Agenda items 3, 4, 5 & 6. It was noted that the Quorum of 80% was present during the presentation and approval of these Agenda items

### AGENDA ITEM 3:

**To review and approve, subject to the applicable regulatory approvals from the relevant regulators,** to amend Article 5(2) of the Memorandum and Articles of Association, to be read as follows:

“Without limiting the generality of (1) above, the Company shall:

- (a) benefit from, operate and manage the ports;
- (b) provide Marine Services to the ports and outside of the ports but within the territorial waters of Bahrain;
- (c) provide pilotage services, within khawr Al Qulay’ah , Sitrah anchorage and the approach channel as required;
- (d) operate and provide the vessel tracking management system for Bahrain’s ports and approaches;
- (e) provide any services to customers within ports;
- (f) negotiate and grant exclusive and non-exclusive concessions and/or licenses to third parties selected by the Company, by tender or otherwise, for the provision of all or any facilities or services which the Company may determine to be necessary or desirable within the ports;
- (g) enter into contracts with third parties for the benefit of the Company or customers generally within the ports;
- (h) Selling and buying shares and securities for company’s account only;
- (i) Freight transport by road – internal transport of goods**
- (j) to do all such things as may be deemed to be incidental or conducive to the attainment of the above objects or any of them.**

Subject to the provisions of law, regulations, orders and decisions in effect and obtaining the necessary licenses to undertake such objects.

Notwithstanding this Article, the Company shall at all times comply with the Bahrain Commercial Companies Law promulgated by Legislative Decree No.(21) of 2001 and its amendments and the Central Bank of Bahrain and Financial Institutions Law No.(64) of 2006 and its amendments as well as the regulations issued to its effect, and any directives , orders , procedures , rules and regulations as may be issued by the Central Bank of Bahrain from time to time, and in particular, the Company shall observe and comply with the rules, articles, instructions, directives, procedures, regulations and codes issued by the Central Bank of Bahrain from time to time” (“Amendment”).

**WITH DUE CONSIDERATION** of the Shareholders, it was unanimously **RESOLVED** that amendment of the Company’s Memorandum and Articles of Association to reflect above mentioned amendments and the addition of the above-mentioned activity is hereby approved in all aspects.

#### AGENDA ITEM 4

**To review and approve**, subject to the applicable regulatory approvals from the relevant regulators, to amend the Memorandum and Articles of Association of the Company in order to align and comply with the Decree Law No. (28) for year 2020 amending some provisions of the Commercial Companies Law promulgated by Decree Law No. (21) of 2001



**WITH DUE CONSIDERATION** of the Shareholders, it was unanimously **RESOLVED** that amendment of the Company's Memorandum and Articles of Association to reflect above mentioned amendments in order to align and comply with the Decree Law No. (28) for year 2020 amending some provisions of the Commercial Companies Law promulgated by Decree Law No. (21) of 2001 is hereby approved in all aspects.

#### AGENDA ITEM 5

To resolve, to authorize the authorized signatories of the Company , jointly or singly to handle any applications before the relevant authorities in the Kingdom of Bahrain for the purpose of affecting the Amendment as stated in item 2 (including, but not limited to, signing the amendment of the Memorandum and Articles of Association of the Company on behalf of the Company before the Public or Private Notary) as well as any other necessary actions with the Ministry of Industry, Commerce & Tourism to implement the addition of activity and the Amendment.

With due consideration of the Shareholders, it was unanimously **RESOLVED** to authorize the authorized signatories of the Company including, Ms. Maureen Mary Bannerman, holder of CPR no. 690463480, Mr. Farooq Zaheer Zuberi, holder of CPR No. 850394546, Mr. Mihir Ranjan Mishra, holder of CPR no. 801579210, Mr. Abdelrahman Hussein Mohamed Elshamy holder of CPR no. 811051722, Ms. Yosra Abdulla Abdulwahid Hamad holder of CPR No. 821210653 jointly or singly to handle any applications before the relevant authorities in the Kingdom of Bahrain for the purpose of affecting the Amendment as stated in Agenda item 2, Agenda item 3 & 4 (including, but not limited to, signing the amendment of the Memorandum and Articles of Association of the Company on behalf of the Company before the Public or Private Notary) as well as any other necessary actions with the Ministry of Industry, Commerce & Tourism to implement the addition of activity and the Amendment.

#### ANY OTHER BUSINESS

Any other business in accordance with Article 207 of the Commercial Companies Law.

There being no further business, the Meeting duly closed at 12:00 PM and it was noted that the quorum had been present while approving all the Agenda items.

These Minutes are subject to review and approval by the Shareholders at the next Extra Ordinary General Meeting of the Shareholders whenever held.

These minutes and resolutions may be executed in electronic form which shall be deemed to be an original.



Mr. Soren Sjostrand Jakobsen

*Chairman*

## Agenda Item 2:

To resolve, subject to the applicable regulatory approvals from the relevant regulators, to amend Article 45 (1) (a) of the Articles of Association, to be read as follows:

*"The Ordinary General Meeting shall convene upon an invitation by the Chairman of the Board of Directors at the time and place determined by the Board of Directors, subject always to the Commercial Companies Law."*



### Agenda Item 3 :

To resolve, subject to the applicable regulatory approvals from the relevant regulators, to add a new section (f) to article 45 (1) which allows the Company to hold virtual general meetings.

*"Any meetings, which are legally required or stipulated in the Commercial Companies Law may be held through electronic means of communication or the telephone in accordance with article 23bis of the Commercial Companies Law. Electronic voting methods may be used in accordance with article 3 of Resolution No. 63 of 2021 regarding measures for meetings by electronic means and conditions and controls of the electronic voting system in the General Assembly of a joint stock company."*



## Agenda Item 4 :

To approve the amendments of the Company's Memorandum and Articles of Association in accordance with the amendments made to the Commercial Companies Law Decree No. (21) of 2001, subject to the approval of the relevant regulatory authorities, and in accordance with the following laws and resolutions:

- Decree No. 1 of 2018
- Decree No. 53 of 2018
- Decree No. 6 of 2020
- Decree No. 28 of 2020
- Decree No. 20 of 2021
- Resolution No. 64 of 2021
- Resolution No. 3 of 2022
- Resolution No. 103 of 2023



### Agenda Item 5 :

To approve to authorise the Chief Executive Officer, or to whom he may delegate, or the Board Secretary to undertake on behalf of the Company the necessary actions to execute and deliver any documents for the purpose of implementing the aforementioned, including but not limited to, appearing before the Notary Public to execute the Amended and Restated Memorandum and Articles of Association and submit the necessary applications to the relevant regulatory authorities.



