

**APM Terminals Bahrain B.S.C**  
**CONDENSED INTERIM FINANCIAL INFORMATION**  
**30 SEPTEMBER 2020**

**CONDENSED INTERIM FINANCIAL INFORMATION**  
**for the nine months ended 30 September 2020**

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**CONDENSED STATEMENT OF FINANCIAL POSITION**  
**as at 30 September 2020**

BD 000's

	note	30 September 2020 (reviewed)	31 December 2019 (audited)
<b>ASSETS</b>			
Intangible assets		5,256	5,550
Equipment and vehicles		23,360	24,156
<b>Total non-current assets</b>		<b>28,616</b>	<b>29,706</b>
Inventories		399	327
Trade receivables		1,800	1,437
Prepayments and other receivables		772	508
Due from related parties	4	1,164	1,260
Balances with Group treasury	4	22,777	21,549
Cash and bank balances		3,752	3,109
<b>Total current assets</b>		<b>30,664</b>	<b>28,190</b>
<b>Total assets</b>		<b>59,280</b>	<b>57,896</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		9,000	9,000
Statutory reserve		4,500	4,500
Retained earnings		10,159	10,161
<b>Total equity</b>		<b>23,659</b>	<b>23,661</b>
<b>Liabilities</b>			
Lease liabilities		25,564	26,124
Employee leaving indemnities		673	576
<b>Total non-current liabilities</b>		<b>26,237</b>	<b>26,700</b>
Trade and other payables		7,721	6,043
Due to related parties	4	460	395
Lease liabilities		1,203	1,097
<b>Total current liabilities</b>		<b>9,384</b>	<b>7,535</b>
<b>Total liabilities</b>		<b>35,621</b>	<b>34,235</b>
<b>Total equity and liabilities</b>		<b>59,280</b>	<b>57,896</b>

The condensed interim financial information was approved by the Board of Directors on 9 November 2020 and signed on its behalf by:

  
 David Skov  
 Chairman

  
 Fawzi Ahmed Kanoo  
 Vice Chairman

The accompanying notes 1 to 14 are an integral part of this condensed interim financial information.

**CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**for the nine months period ended 30 September 2020**

BD 000's

	note	For the nine months ended		For the three months ended	
		30 September 2020 (reviewed)	30 September 2019 (reviewed)	30 September 2020 (reviewed)	30 September 2019 (reviewed)
Revenue	5	32,871	28,771	11,761	10,195
Direct operating expenses	6	(10,558)	(9,984)	(3,728)	(3,452)
<b>Gross profit</b>		<b>22,313</b>	18,787	<b>8,033</b>	6,743
Other operating income		49	34	18	3
Gain on disposal of equipment and vehicles		1	20	-	2
Other operating expenses	7	(9,048)	(7,813)	(3,262)	(2,792)
General and administrative expenses		(2,958)	(2,825)	(1,154)	(1,001)
<b>Operating profit</b>		<b>10,357</b>	8,203	<b>3,635</b>	2,955
Finance income		393	398	111	164
Finance expense		(1,394)	(1,391)	(494)	(473)
<b>Net finance costs</b>		<b>(1,001)</b>	(993)	<b>(383)</b>	(309)
Other income	14	803	-	-	-
<b>Profit for the period</b>		<b>10,159</b>	7,210	<b>3,252</b>	2,646
Other comprehensive income for the period		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>10,159</b>	7,210	<b>3,252</b>	2,646
<b>Earnings per share</b>					
Basic and diluted earnings per share (in fils)		113	80	36	29

The accompanying notes 1 to 14 form an integral part of this condensed interim financial information.

**CONDENSED STATEMENT OF CHANGES IN EQUITY**  
**for the nine months period ended 30 September 2020**

BD 000's

	<b>Share capital</b>	<b>Statutory reserve</b>	<b>Retained earnings</b>	<b>Total</b>
<b>2020 (reviewed)</b>				
At 1 January 2020	9,000	4,500	10,161	23,661
Total comprehensive income for the period	-	-	10,159	10,159
<b>Transactions with owners of the Company</b>				
Dividend declared for 2019	-	-	(10,161)	(10,161)
<b>At 30 September 2020</b>	<b>9,000</b>	<b>4,500</b>	<b>10,159</b>	<b>23,659</b>

	<b>Share capital</b>	<b>Statutory reserve</b>	<b>Retained earnings</b>	<b>Total</b>
<b>2019 (reviewed)</b>				
At 1 January 2019	9,000	4,493	9,850	23,343
Loss on sale of treasury shares, net	-	-	(17)	(17)
Total comprehensive income for the period	-	-	7,210	7,210
<b>Transactions with owners of the Company</b>				
Dividend declared for 2018	-	-	(9,850)	(9,850)
<b>At 30 September 2019</b>	<b>9,000</b>	<b>4,493</b>	<b>7,193</b>	<b>20,686</b>

The accompanying notes 1 to 14 form an integral part of this condensed interim financial information.

**CONDENSED STATEMENT OF CASH FLOWS**  
**for the nine months period ended 30 September 2020**

BD 000's

	<b>30 September 2020 (reviewed)</b>	30 September 2019 (reviewed)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit for the period	<b>10,159</b>	7,210
<i>Adjustments for:</i>		
Depreciation	1,631	1,722
Amortisation	294	320
Finance expense	1,394	1,391
Fair value gain on derivatives	(20)	(7)
Gain on sale of equipment and vehicles	(1)	(20)
<i>Changes in:</i>		
- Inventories	(72)	(64)
- Trade receivables	(338)	(25)
- Prepayments and other receivables	(173)	(256)
- Trade and other payables	1,716	(396)
- Employee leaving indemnities	97	138
<b>Net cash generated from operating activities</b>	<b>14,687</b>	10,013
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of equipment and vehicles	(444)	(312)
Balances with Group treasury, net	(1,228)	3,619
Proceeds from disposal of equipment and vehicles	1	20
<b>Net cash (used in)/ generated from investing activities</b>	<b>(1,671)</b>	3,327
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payments of finance lease liability	(870)	(708)
Payment of finance expenses	(1,370)	(1,298)
Payments for purchase of treasury shares	-	(700)
Proceeds from sale of treasury shares	-	683
Dividend paid	(10,133)	(9,829)
<b>Net cash used in financing activities</b>	<b>(12,373)</b>	(11,852)
<b>Net increase in cash and cash equivalents during the period</b>	<b>643</b>	1,488
Cash and cash equivalents at the beginning of the period	3,109	3,998
<b>Cash and cash equivalents at end of the period</b>	<b>3,752</b>	5,486

The accompanying notes 1 to 14 form an integral part of this condensed interim financial information.

## 1 REPORTING ENTITY

APM Terminals Bahrain B.S.C (the "Company") is a joint stock company incorporated in the Kingdom of Bahrain on 11 May 2006 under Commercial Registration (CR) number 60982 by the Ministry of Industry and Commerce.

The Company operates the Khalifa Bin Salman Port.

## 2 BASIS OF PREPARATION

### a) Statement of compliance

This condensed interim financial information has been prepared in accordance with IAS 34, "Interim Financial Reporting", and should be read in conjunction with the Company's last audited financial statements as at and for the year ended 31 December 2019 ('last annual financial statements'). This does not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements as at and for the year ended 31 December 2019.

The condensed interim financial information is reviewed, not audited. The comparatives for the condensed statement of financial position have been extracted from the audited financial statements for the year ended 31 December 2019. The comparatives for condensed statements of profit or loss and other comprehensive income, cash flows and changes in equity have been extracted from the reviewed condensed interim financial statements for the nine months period ended 30 September 2019.

### b) Use of judgements and estimates

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

In preparing the condensed interim financial information, significant judgments made by the management in applying the accounting policies and key source of estimation of uncertainty were the same as those applied to the audited financial statements as at and for the year ended 31 December 2019, except for impacts for Coronavirus (COVID-19) outbreak as explained in note 14.

### c) Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited financial statements for the year ended 31 December 2019.

## 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in this condensed interim financial information are the same as those applied in the Company's audited financial statements as at and for the year ended 31 December 2019, except as set out below.

### GOVERNMENT GRANTS

In accordance with IAS 20, the Company has recognised government grants in profit or loss on a systematic basis in the periods in which compensated expenses are recognised.



#### 4 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include entities over which the Company exercises significant influence, major shareholders, directors and key management personnel of the Company. Transactions with related parties are at agreed terms. The significant related party balances and transactions (excluding compensation to key management personnel) included in this condensed interim financial information are as follows:

Description	Parent/ Group company	Shareholders / entities in which directors are interested	Total
<b>As at 30 September 2020 (reviewed)</b>			
<b><u>Current Assets</u></b>			
Trade receivable	415	479	894
Interest receivable	244	-	244
Other receivables	26	-	26
	685	479	1,164
Balances with Group Treasury	22,777	-	22,777
<b><u>Non-Current Liabilities</u></b>			
Non-current portion of lease liabilities	17,889	103	17,992
<b><u>Current Liabilities</u></b>			
Trade payable	-	2	2
Other payable	12	1	13
Accrued expenses	296	3	299
Management fee payable	90	-	90
Board remuneration payable	28	28	56
	426	34	460
Current portion of lease liabilities	945	20	965

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 2.20% p.a. (2019: 2.46% p.a.)

Description	Parent/ Group company	Shareholders / entities in which directors are interested	Total
<b>For the nine months period ended 30 September 2020 (reviewed)</b>			
<b><u>Income</u></b>			
Revenue	2,659	5,636	8,295
Finance income	358	-	358
<b><u>Expenses</u></b>			
Subcontracting charges	1,018	-	1,018
Management and administration fee	278	-	278
Computer expenses	184	-	184
Board remuneration	28	28	56
Maintenance and repairs	2	50	52
Other expenses	40	99	139

Lease rental of BD 1,500 to Group company and BD 5 to Shareholders accounted in the condensed interim financial information in line with IFRS 16, as right of use assets.

## 4 RELATED PARTY TRANSACTIONS (continued)

Description	Parent/ Group company	Shareholders / entities in which directors are interested	Total
As at 31 December 2019 (Audited)			
<b><u>Current Assets</u></b>			
Trade receivables	309	610	919
Interest receivable on deposits	340	-	340
Other receivables	1	-	1
	650	610	1,260
<b>Balances with Group Treasury</b>	21,549	-	21,549
<b><u>Non-Current Liabilities</u></b>			
Non-current portion of lease liabilities	18,314	-	18,314
<b><u>Current Liabilities</u></b>			
Trade payable	-	5	5
Other payable	16	-	16
Accrued expenses	308	39	347
Management fee payable	27	-	27
	351	44	395
Current portion of lease liabilities	892	-	892
For the period ended 30 September 2019 (reviewed)			
<b><u>Income</u></b>			
Revenue	2,050	4,381	6,431
Finance income	372	-	372
<b><u>Expenses</u></b>			
Subcontracting charges	1,061	-	1,061
Management and administration fee	262	-	262
Computer expenses	193	-	193
Board remuneration	24	23	47
Maintenance and repairs	-	9	9
Other expenses	12	142	154

Lease rental of BD 1,467 to Group company accounted in the condensed interim financial information in line with IFRS 16, as right of use assets.

**Other related party transactions for the nine-month period ended 30 September**

Description	Parent/ Group company	Shareholders / entities in which directors are interested	Total
<b>30 September 2020 (reviewed)</b>			
Purchase of inventories	-	49	<b>49</b>
30 September 2019 (reviewed)			
Purchase of inventories	-	9	9

## 4 RELATED PARTY TRANSACTIONS (continued)

## Key management personnel

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

	<b>30 September 2020 (reviewed)</b>	30 September 2019 (reviewed)
Salaries and other short-term benefits	542	594
Post-employment benefits for the period	24	29
Board remuneration for the period	56	47
Post-employment benefits payable	61	108

## 5 REVENUE

	<b>30 September 2020 (reviewed)</b>	30 September 2019 (reviewed)
Container services	14,733	13,340
General cargo services	12,600	9,740
Marine services	5,538	5,691
	<b>32,871</b>	28,771

## 6 DIRECT OPERATING EXPENSES

	<b>30 September 2020 (reviewed)</b>	30 September 2019 (reviewed)
Salaries and related costs	3,889	3,579
Subcontracting charges	2,502	2,305
Depreciation	1,631	1,722
Fuel and electricity	1,133	999
Maintenance and repairs	958	909
Security costs	165	164
Operating leases charges	138	151
Customs duty and freight charges	37	42
Provision reversed on inventories	(9)	(5)
Other expenses	114	118
	<b>10,558</b>	9,984

## 7 OTHER OPERATING EXPENSES

	<b>30 September 2020 (reviewed)</b>	30 September 2019 (reviewed)
Royalty to Government of Bahrain	8,754	7,493
Amortisation of intangible asset	294	320
	<b>9,048</b>	7,813

## **8 SEGMENTAL REPORTING**

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

## **9 FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

None of the Company's assets and liabilities are measured at fair value. The Company's financial assets and financial liabilities are classified under the amortized cost category. The carrying value of the Company's financial assets and liabilities approximates the fair value.

## **10 DERIVATIVES**

The Company has entered into foreign currency forward and swap contracts with a bank with nominal value of BD 22,132 (31 December 2019: 21,657) maturing within one year. Fair value gain on derivatives for the period amounted to BD 20 (30 September 2019: BD 7) and is included in the profit or loss.

## **11 APPROPRIATIONS**

At the Annual General Meeting of the Company held on 26 March 2020, final dividend of BD 10,161 was approved for 2019 which has been effected during the period.

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

## **12 SEASONALITY**

The Company does not have income of seasonal nature.

## **13 COMPARATIVES**

The comparative figures have been regrouped, where necessary, in order to conform to the current period's presentation. Such regrouping did not affect the previously reported profit and total comprehensive income for the period or total equity.

**14 IMPACT OF COVID 19**

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

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

COVID-19 related government grants of BD 803 were received from the Government of Kingdom of Bahrain, for the partial reimbursement of salaries of national employees and waiver of Electricity and Water utility bills from April 2020 to June 2020.

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

**Financial impact of COVID-19**

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

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

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

**Revenue** has witnessed a growth of 14% as compared to the same period of 2019. The said growth can be attributed to road to sea conversions as a result of closure of King Fahd Causeway and increase in project cargo volumes.

**Other income** - The Government of Kingdom of Bahrain announced various economic stimulus programmes to support businesses in these challenging times. The Company received some benefits from these programmes mainly in the form of waiver of Electricity and Water bills amounting to BD 129, Government support provided on salaries and LMRA fees amounting to BD 674. These Government Grants have been recorded as other income in the statement of profit or loss.

**Expenses** - The Company had to incur additional expenses worth of BD 86 related to COVID-19 measures. Further, as part of the Company's corporate social responsibility, the Company has contributed BD 50 to MOFNE The National Effort to Combat the Coronavirus COVID-19 through the Feena Khair campaign.

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