

APM Terminals Bahrain B.S.C.
CONDENSED INTERIM FINANCIAL INFORMATION
30 JUNE 2022

APM Terminals Bahrain B.S.C.
CONDENSED INTERIM FINANCIAL INFORMATION
For the six month period ended 30 June 2022

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

Introduction

We have reviewed the accompanying condensed interim statement of financial position of APM Terminals Bahrain B.S.C. (the "Company") as at 30 June 2022 and the related condensed interim statement of profit or loss and other comprehensive income for the three month and six month periods ended and the related condensed interim statements of changes in equity and cash flows for the six month period then ended and significant accounting policies and other explanatory notes. The Board of Directors of the Company is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting" as issued by the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

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

Conclusion

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

A handwritten signature in blue ink that reads 'PricewaterhouseCoopers' in a cursive script.

John Molloy
Partner's registration number: 255
PricewaterhouseCoopers M.E Limited
Manama, Kingdom of Bahrain
10 August 2022

APM Terminals Bahrain B.S.C.
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
As at 30 June 2022

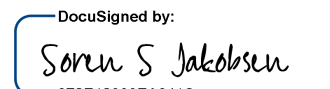
BD 000's

	Note	30 June 2022 (reviewed)	31 December 2021 (audited)
ASSETS			
Intangible assets		24,531	25,639
Equipment and vehicles		665	670
Total non-current assets		25,196	26,309
Inventories		496	362
Trade receivables		1,591	1,550
Other receivables and prepayments		1,203	285
Due from related parties	4	896	788
Balances with Group Treasury	4	22,115	25,512
Cash and cash equivalents		918	1,730
Total current assets		27,219	30,227
Total assets		52,415	56,536
EQUITY AND LIABILITIES			
Equity			
Share capital		9,000	9,000
Statutory reserve		4,500	4,500
Retained earnings		5,531	7,984
Total equity		19,031	21,484
Liabilities			
Lease and other financial liabilities		23,445	24,330
Employee leaving indemnities		816	738
Total non-current liabilities		24,261	25,068
Trade and other payables		7,057	8,035
Due to related parties	4	601	514
Lease and other financial liabilities		1,465	1,435
Total current liabilities		9,123	9,984
Total liabilities		33,384	35,052
Total equity and liabilities		52,415	56,536

The condensed interim financial information was approved by the Board of Directors on 10 August 2022 and signed on its behalf by:

DocuSigned by:

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David Skov
Chairman

DocuSigned by:

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Soren Sjostrand Jakobsen
Director

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

APM Terminals Bahrain B.S.C.
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the three and six months ended 30 June 2022 BD 000's

	Note	For the six months ended		For the three months ended	
		30 June 2022 (reviewed)	30 June 2021 (Restated - reviewed)	30 June 2022 (reviewed)	30 June 2021 (Restated - reviewed)
Revenue	5	19,567	19,709	9,902	10,018
Direct operating expenses	6	(6,844)	(6,440)	(3,436)	(3,339)
Other operating expenses	7	(4,616)	(6,057)	(1,583)	(3,074)
Gross profit		8,107	7,212	4,883	3,605
Other operating income		46	39	26	20
Gain on disposal of equipment and vehicles		-	9	-	-
General and administrative expenses	8	(1,922)	(2,181)	(1,001)	(1,157)
Net impairment losses on trade receivables		(41)	(25)	(41)	(17)
Operating profit		6,190	5,054	3,867	2,451
Finance income		236	248	83	101
Finance expense		(895)	(906)	(439)	(441)
Net finance costs		(659)	(658)	(356)	(340)
Profit for the period		5,531	4,396	3,511	2,111
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		5,531	4,396	3,511	2,111
Earnings per share					
Basic and diluted earnings per share (in fils)	14	61	49	39	23

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

APM Terminals Bahrain B.S.C.
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
For the six months ended 30 June 2022

BD 000's

	Share capital	Statutory reserve	Retained earnings	Total
2022 (reviewed)				
At 1 January 2022	9,000	4,500	7,984	21,484
Total comprehensive income for the period	-	-	5,531	5,531
Transactions with owners in their capacity as owners				
Cash dividend declared for 2021 (Note 11)	-	-	(7,984)	(7,984)
At 30 June 2022	9,000	4,500	5,531	19,031

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

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

APM Terminals Bahrain B.S.C.
CONDENSED INTERIM STATEMENT OF CASH FLOWS
For the six months ended 30 June 2022

BD 000's

	30 June 2022 (reviewed)	30 June 2021 (Restated - reviewed)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	5,531	4,396
<i>Adjustments for:</i>		
Depreciation	165	182
Amortisation	1,108	1,172
Finance expense	895	906
Gain on sale of equipment and vehicles	-	(9)
Allowance for impairment on trade receivables	41	25
Provision for impairment of inventories	24	2
Finance income	(236)	(248)
Employee leaving indemnities – charge	86	78
<i>Changes in:</i>		
- Inventories	(158)	(134)
- Trade receivables	(82)	(221)
- Other receivables and prepayments	(847)	(591)
- Due from related parties	(22)	337
- Trade and other payables	(978)	(40)
- Due to related parties	87	153
Employee leaving indemnities – paid	(8)	(53)
Net cash generated from operating activities	5,606	5,955
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment and vehicles	(160)	(35)
Purchase of intangible assets	-	(106)
Proceeds from maturity of placements with Group Treasury	10,919	14,362
Placements with Group Treasury	(7,443)	(3,430)
Proceeds from disposal of equipment and vehicles	-	9
Net cash generated from investing activities	3,316	10,800
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of finance expense	(895)	(889)
Payment of lease liabilities and other financial liabilities	(855)	(755)
Dividends paid	(7,984)	(13,662)
Net cash used in financing activities	(9,734)	(15,306)
Net (decrease)/ increase in cash and cash equivalents during the period	(812)	1,449
Cash and cash equivalents at the beginning of the period	1,730	1,184
Cash and cash equivalents at end of the period	918	2,633

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

1 REPORTING ENTITY

APM Terminals Bahrain B.S.C (the "Company") is a joint stock company incorporated in the Kingdom of Bahrain on 11 May 2006 under Commercial Registration (CR) number 60982 issued by the Ministry of Industry and Commerce. The Company is a subsidiary of APM Terminals B.V (the "Parent Company"), a Dutch Company. Maersk Holding B.V, Rotterdam is the Ultimate Parent Company of the Group. The Group is ultimately controlled through A.P. Møller Holding A/S, Copenhagen, Denmark, which is owned by the foundation A.P. Møller og Hustru Chastine Mc-Kinney Møller Fond til almene Formaal.

2 BASIS OF PREPARATION

a) Statement of compliance

This condensed interim financial information has been prepared in accordance with IAS 34, "*Interim Financial Reporting*", and should be read in conjunction with the Company's last audited financial statements as at and for the year ended 31 December 2021 ('last annual financial statements'), which have been prepared in accordance with International Financial Reporting Standards (IFRSs). This condensed interim financial information does not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements as at and for the year ended 31 December 2021.

The condensed interim financial information is reviewed, not audited. The comparatives for the condensed interim statement of financial position have been extracted from the audited financial statements for the year ended 31 December 2021. The comparatives for condensed interim statements of profit or loss and other comprehensive income, cash flows and changes in equity have been extracted from the reviewed condensed interim financial information for the six month period ended 30 June 2021.

For further information, refer to the annual audited financial statements of the Company and notes thereto for the year ended 31 December 2021.

b) Use of judgements and estimates

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

In preparing the condensed interim financial information, significant judgments made by the management in applying the accounting policies and key source of estimation uncertainty were the same as those applied to the audited financial statements as at and for the year ended 31 December 2021.

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 2021.

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 2021 unless otherwise stated.

New Standards, Amendment to Standards and Interpretations:

There are no new standards issued, however, there are a number of amendments to standards which are effective from 1 January 2022 and have been explained in the audited financial statements for the year ended 31 December 2021, but they do not have a material effect on the Company's condensed interim financial information.

4 RELATED PARTY TRANSACTIONS

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

Description	Parent company	Group company	Entities which shareholders and directors have interest in	Total
As at 30 June 2022 (reviewed)				
<u>Current assets</u>				
<i>Due from related parties</i>				
Trade receivables	383	-	339	722
Interest receivable on balances with Group Treasury	135	-	-	135
Other receivables	-	39	-	39
	518	39	339	896
Balances with Group Treasury	22,115	-	-	22,115
<u>Non-current liability</u>				
<i>Due to related parties</i>				
Non-current portion of financial liabilities	-	16,494	66	16,560
<u>Current liabilities</u>				
Dividend payable				
Other payables	62	108	-	170
Accrued expenses	165	157	3	325
Management fee payable	58	-	-	58
Board remuneration payable	24	-	24	48
	309	265	27	601
Current portion of financial liabilities	-	1,067	29	1,096

The Company has maintained balances with Group Treasury pursuant to the technical services agreement whereby treasury advice and execution services are provided and earn an average interest rate of 1.78% p.a. (2021: 2.01% p.a.).

4 RELATED PARTY TRANSACTIONS (continued)

Description	Parent company	Group company	Entities which shareholders and directors have interest in	Total
For the six months ended 30 June 2022 (reviewed)				
<u>Income</u>				
Revenue	1,231	-	2,810	4,041
Finance income	164	-	-	164
	1,395	-	2,810	4,205
<u>Expenses</u>				
Subcontracting charges	-	(1,708)	-	(1,708)
Management and administration fee	(167)	-	-	(167)
Computer expenses	(124)	-	-	(124)
Maintenance and repairs	-	-	(14)	(14)
Board remuneration	(24)	-	(24)	(48)
Other expenses	(32)	-	(49)	(81)
	(347)	(1,708)	(87)	(2,142)

A cash outflow of BD 1,016 (2021: BD 993) related to lease rental payments made to the Group company and BD 16 (2021: BD 16) made to other shareholders during the period.

Description	Parent company	Group company	Entities which shareholders and directors have interest in	Total
As at 31 December 2021				
<u>Current assets</u>				
<i>Due from related parties</i>				
Trade receivable	228	-	455	683
Interest receivable	49	-	-	49
Other receivables	-	56	-	56
	277	56	455	788
Balances with Group Treasury	25,512	-	-	25,512
<u>Non-current liability</u>				
<i>Due to related parties</i>				
Non-current portion of financial liabilities	-	16,965	80	17,045
<u>Current liabilities</u>				
Trade payable	-	-	6	6
Other payable	-	171	-	171
Accrued expenses	4	301	-	305
Management fee payable	32	-	-	32
	36	472	6	514
Current portion of financial liabilities	-	1,036	28	1,064

4 RELATED PARTY TRANSACTIONS (continued)

Description	Parent company	Group company	Entities which shareholders and directors have interest in	Total
For the six months ended 30 June 2021 (reviewed)				
Income				
Revenue	1,300	-	3,193	4,493
Finance income	243	-	-	243
	1,543		3,193	4,736
Expenses				
Subcontracting charges	-	(1,676)	-	(1,676)
Management and administration fee	(173)	-	-	(173)
Computer expenses	(199)	-	-	(199)
Maintenance and repairs	-	-	(12)	(12)
Board remuneration	(16)	-	(32)	(48)
Other expenses	(60)	-	(127)	(187)
	(448)	(1,676)	(171)	(2,295)

Other related party transactions for the six months ended 30 June

Description	Parent/ Group company		Other related parties		Total	
	2022	2021	2022	2021	2022	2021
Purchase of inventories	-	-	21	12	21	12

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:

	30 June 2022 (reviewed)	30 June 2021 (reviewed)
Salaries and other short-term benefits	471	531
Post-employment benefits	11	25
Board remuneration	48	48
Post-employment benefits payable	45	29

APM Terminals Bahrain B.S.C
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
For the six months ended 30 June 2022

BD 000's

5 REVENUE

	For the six months ended 30 June 2022 (reviewed)	For the six months ended 30 June 2021 (reviewed)
Container services	8,685	8,192
General cargo services	6,120	6,943
Marine services	4,762	4,574
	19,567	19,709

6 DIRECT OPERATING EXPENSES

	For the six months ended 30 June 2022 (reviewed)	For the six months ended 30 June 2021 (Restated - reviewed)
Salaries and related costs	2,529	2,457
Subcontracting charges	1,424	1,387
Amortization	1,108	1,172
Fuel and electricity	604	573
Maintenance and repairs	515	417
Equipment hiring charges	323	134
Depreciation	165	182
Operational insurance	111	74
Customs duty and freight charges	29	37
Provision for impairment of inventories	24	2
Other expenses	12	5
	6,844	6,440

7 OTHER OPERATING EXPENSES

	For the six months ended 30 June 2022 (reviewed)	For the six months ended 30 June 2021 (reviewed)
Royalty to Government of Kingdom of Bahrain	4,616	6,057

As per the Khalifa Bin Salman Port 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. During the three months ended 30 June 2022, the Company recorded a reversal of the royalty accrual relating to the period ended 31 March 2022 and the year ended 31 December 2021 amounting to BD 1,188.

8 GENERAL AND ADMINISTRATIVE EXPENSES

	For the six months ended 30 June 2022 (reviewed)	For the six months ended 30 June 2021 (reviewed)
Salaries and related costs	1,072	1,178
Computer expenses	190	255
Management and administration fee	167	173
Security costs	116	111
Subcontracting charges	89	68
Office expenses	79	83
Board of Directors' fee	48	48
Legal and professional charges	36	41
Communication expenses	14	15
Training expenses	10	15
Travel expenses	6	-
Repair and accident claims	6	120
Other expenses	89	74
	1,922	2,181

9 SEGMENTAL REPORTING

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

10 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

11 APPROPRIATIONS

At the Annual General Meeting of the Company held on 30 March 2022, final dividend of BD 7,984 thousand was approved for 2021, which has been effected during the period (final dividend of BD 13,662 thousand was approved for 2020 and paid in 2021).

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

12 DERIVATIVES

The Company has entered into foreign currency forward and swap contracts with a bank with nominal value of BD 22,745 thousand (31 December 2021: BD 27,976 thousand) maturing within one year. The fair value gain on derivatives for the period amounted to BD 71 thousand (30 June 2021 loss: BD 17 thousand) and is included under finance income / expenses in the profit or loss.

13 SEASONALITY

The Company does not have income of seasonal nature.

14 EARNINGS PER SHARE

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

	30 June 2022 (reviewed)	30 June 2021 (reviewed)
Profit for the period (BD 000's)	5,531	4,396
Weighted average number of shares (000's)	90,000	90,000
Basic and diluted earnings per share (fils)	61	49

15 RECLASSIFICATION OF CORRESPONDING AMOUNTS

In accordance with the requirements of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (IAS 8), management has restated comparative figures to adjust the prior period's condensed interim financial information resulting from the following:

Reclassification of certain items in the statement of profit or loss and other comprehensive income: the management have reclassified i) in accordance with the nature of the item, royalty expense to above the gross profit line (30 June 2021: BD 6,057) and ii) certain expenses based on its nature between other operating expenses and direct operating expenses (BD 195). Management has therefore restated the corresponding amounts to reflect the appropriate classification as summarised below.

Reclassification of certain items in the condensed interim statement of cash flows: Certain items of equipment purchased by the Company as part of the service concession agreement were incorrectly classified under Equipment and Vehicles in the statement of financial position in prior years. Management has concluded that the more appropriate treatment, under the provisions of IFRIC 12, would be to classify this equipment as intangible assets as they are a part of the concession arrangements. Management has therefore restated the financial statements for the year ended 31 December 2021, and as a result the corresponding amounts in the statement of cash flows to reflect the appropriate accounting treatment as summarised below.

Discrete effect on condensed interim financial information line items in the statement of profit or loss and other comprehensive income and condensed interim statement of cash flows – 30 June 2021

	30 June 2021 (Previously reported)	Adjustments	30 June 2021 (Restated)
Direct operating expenses	(6,245)	(195)	(6,440)
Other direct expenses	-	(6,057)	(6,057)
Gross profit	13,464	(6,252)	7,212
Other operating expenses	(6,252)	6,252	-
Operating profit	5,054	-	5,054
Profit for the period	4,396	-	4,396
Total comprehensive income for the period	4,396	-	4,396

15 RECLASSIFICATION OF CORRESPONDING AMOUNTS (continued)

	30 June 2021 (Previously reported)	Adjustments	30 June 2021 (Restated)
Depreciation	1,159	(977)	182
Amortisation	195	977	1,172
Purchase of equipment and vehicles	(141)	106	(35)
Purchase of intangible assets	-	(106)	(106)

The reclassifications did not have any impact on the previously reported profit for the period or cash flows for the period ended.