

APM TERMINALS BAHRAIN B.S.C. ANNUAL REPORT 2022





His Majesty

**King Hamad bin Isa
Al Khalifa**

The King of the
Kingdom of Bahrain



His Royal Highness

**Prince Salman bin
Hamad Al Khalifa**

The Crown Prince,
Deputy Supreme
Commander, and Prime
Minister

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About APM Terminals Bahrain - Overview

APM Terminals Bahrain B.S.C. is a public listed company incorporated in the Kingdom of Bahrain, with 64% of its shares owned by APM Terminals B.V. (Netherlands), a subsidiary of A.P.Moller-Maersk, 16% by Yusuf Bin Ahmed Kanoo (Holdings) Co. W.L.L. and remaining 20% by various corporate and individual shareholders. It has been established for the purpose of managing and operating the state-of-the-art Khalifa Bin Salman Port (KBSP) of the Kingdom of Bahrain.

APM Terminals maintains a vast network of terminals across the globe, either on its own or with another operating partner. Headquartered in The Hague, Netherlands, APM Terminals specializes in providing customer-oriented solutions that are built around the evolving needs of the customers. The services are designed to ensure customers receive technologically competent, seamless, efficient experience by reducing complexity for them when purchasing different services in the market.

KBSP is the only general commercial port facility in the Kingdom of Bahrain which connects Bahrain to the world through its highly efficient operations and modern infrastructure, empowering businesses to fulfill consumer needs.

Located on 900,000 square metres of reclaimed land, the port has 1,800 metre quay which includes a container terminal served by four 61 metres post-panamax cranes, as well as general cargo, RO-RO and passenger facilities. Passenger facility includes a dedicated passenger terminal that is capable of handling cruise and ferry calls.



About APM Terminals Bahrain - Overview

KBSP is one of the multi-purpose deep water facilities located in the Middle East. Through its diverse service offering, KBSP is capable of handling the following:

Containers are used in the import and export of packaged cargo carried by container ships. Container dimensions range from 20, 40, 45 foot and are measured in Twenty Foot Equivalent Units (TEU). These can be broken down into two broad sub-categories:

- Local – export and import of containers with origin or destination being local; and
- Transshipment – a container which is transferred from one ship to another at some point during the journey without leaving the port where the transfer is taking place, is said to be transshipped.

General Cargo consists typically of commodity goods bulk or break-bulk including but not limited to livestock, steel, sugar, construction materials and RO-RO and passengers.

By means of its multi-purpose and modern port facilities, APM Terminals Bahrain plays a key role in facilitating external trade and marine services through Container Terminal activities, General Cargo, RoRo, Cruise and related port services, thus contributing significantly to Bahrain's economic growth.

OUR PURPOSE is caring and Creating possibilities for everyone by lifting Bahrain's global trade.

OUR VISION is for Khalifa Bin Salman port to be the most valued and largest single contributor to Bahrain's economy.

OUR MISSION is to be the most productive and efficient port, where doing business is simple, transparent, integrated, and fast, offering flexible logistic service solutions for all types of cargo, with great service delivered by exceptional people.

About APM Terminals Bahrain– Our Values

As part of A.P.Moller-Maersk's group companies, APM Terminals Bahrain B.S.C. follows a distinctive set of Core Values which drive the way we do business. These five corporate values were ingrained into our operations by our founders and have remained guiding principles, governing the development of the Company.



Constant Care

Take care of today, actively prepare for tomorrow

Whether solving today's challenges or exploring opportunities to shape the future, we anticipate, innovate, and strive to improve everything we do.



Humbleness

Listen and respond to our customers' needs.

We stay curious, open-minded and respect other perspectives, always seeking to learn from each other, our customers, and the world around us. We only succeed together.



Uprightness

Our word is our bond

Every day, we earn the trust of our customers and partners. They can rely on us to keep our promises and do the right things, even when its hard. We speak openly and honestly, and always act with integrity.



Our Employees

The right environment for our people.

Connected by real purpose, we create opportunities to grow, develop and exceed expectations. We win together as a diverse and global workplace where people feel safe, valued and empowered.



Our Name

Everything we stand for.

Our name is a promise and a commitment to trust and excellence. We are all ambassadors representing and safeguarding the Maersk name, striving for a more sustainable integrated world.

About APM Terminals Bahrain - Our WoW

Our Way of Working (WoW) is a business system adopted in APM Terminals. It is our foundation to success and a key enabler in becoming Safer, Better, Bigger. It ensures that we continuously operate and improve our business effectively with relentless customer focus by replicating a consistent set of global standards, systems and processes across every single one of our terminals and headquarters.

It enables us to develop a genuine culture of continuous improvement. Based on established Lean thinking and methodologies, our WoW business system is enabling us to transform our organization by re-tooling and re-educating our people to eliminate waste, boost productivity and promote innovation every day.

Ultimately, our WoW allows us to optimize our resources, efforts and energies towards creating value for our customers, whilst ensuring that our people go home safe.

A critical component of our Way of Working is our people. By involving every 'brain in the game' through our LEAN for All Academy which uses world class tools, we want to empower our employees to become exceptional problem solvers and value creators; who continuously develop more efficient ways to deliver value to themselves, our organization and our customers.

APM Terminals Business System



Kaizen

We aim to continuously improve our business performance. From frontline to CEO, from daily to global Kaizens, Kaizen is our way of life and involves all of us. This is how we eliminate waste, boost productivity and promote innovation every day.



People

We develop, upskill and coach our people to give and be their best version of themselves every day. We ensure safety for our people in everything we do. We create an engaging workplace by working in a way that builds on the creativity and contribution of our people.



Standards

We define and follow standards to save time and pave the way for better collaboration. We learn from and with each other by basing our work on best practice standards. We continuously improve our processes, and we never stop learning.



Performance

We deliver business results consistently for our stakeholders. We include the voice of the customer in everything we do to constantly improve the customer experience. We drive cost leadership across the entire business.

Chairman's Message



Soren S. Jakobsen

Chairman of the Board of Directors

NAVIGATING IN A GLOBAL DOWNTURN

In 2022, global trade re-aligned to the post-pandemic world and we have seen the market adjusting to these changes in Bahrain. Initially, imports were strong, growing by 7% in the first half - a good sign of economic well-being in the Kingdom. Subsequently, however, due to rising costs, we witnessed a decline in imports towards the end of the year. Indeed, the second half of 2022 saw a 15% drop in imports compared to the first half of the year.

Overall, exports remained quite stable, and the shift from containerised to general cargo exports continued. Since this migration to general cargo started 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. Already a leader in the segment in terms of containerised productivity, APM Terminals Bahrain's improvement in general cargo productivity is one of the port operator's major achievements in 2022.

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 (Container Freight Station) facility to improve our customer experience. With an ever more increasing focus on our customers' needs and pain points, we pursue tailor-made solutions to meet those needs, while at the same time improving our customer experience, reflected in a further improvement in our customer satisfaction scores during the year.

Towards the end of 2022, we saw the return of cruise vessels to KBSP, carrying 16,000 passengers, with a further 30,000 passengers expected before the end of the season - a truly positive boost for the Bahraini tourist trade and the wider economy.

For 2023, we will implement a number of automation projects such as crane support functions and truck alignment system which are expected to go live by the first quarter. In addition, we are working on setting up a solar farm as part of our decarbonization strategy.

Our growth strategy remains aligned to the Kingdom's 2030 Vision under the purpose of "Caring and Creating possibilities for everyone by lifting Bahrain's Global trade".

Chairman's Message

OUR PEOPLE

APM Terminals Bahrain continues to focus on its People. This is evident in the initiatives taken by the company to develop, train and support their growth in addition to ensuring their safety and wellbeing. Not only is the focus on those under APM Terminals Bahrain's employment but it also includes third party contractors and people of the community through the several CSR initiatives.

I am also proud to report that Bahrain has been a hub for expertise where employees from APM Terminals Bahrain visit other terminals on short term assignments to lend their support. In addition, the company hosted employees from other terminals on exchange learning programs for the purpose of sharing knowledge and improving our performance internally as well as externally towards our customers and other stakeholders.

SAFETY AND SUSTAINABLE DEVELOPMENT

At APM Terminals Bahrain, the safety of our customers, vendors and employees is our number one priority and I am proud to report that not only did we successfully achieve our zero-fatality goal in 2022 but we also reduced our incident frequency rate by 41%, despite a significant increase of activity in our General Cargo operations. The incident reduction rate was improved as a result of leader-led activities, awareness and reporting of observations and immediate corrective action implemented. In fact, more than 85% of the safety observations reported resulted in corrective actions being implemented.

The Board of Directors and the management team relentlessly focuses on safety by continuously building and improving our organisational capacity and operational controls. Management has committed themselves in leading daily and weekly leader-led activities followed by immediate improvement actions and kaizen events in risk management. Preparedness in emergency response and crisis management activities also contributed as barriers to incidents that could otherwise have escalated to cause fatal outcomes.

ACKNOWLEDGEMENT

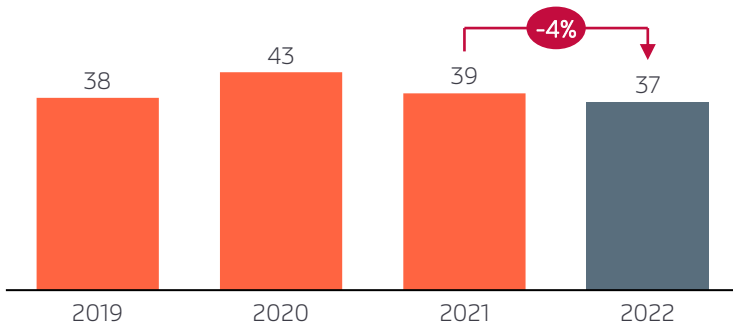
On behalf of the Board of Directors, I would like to extend our sincere gratitude to our leadership team and all our employees for their continued passion, efforts and dedication to transform our company. This loyalty and focus have built our unique position and is the foundation for our future. Similarly, I would like to thank our many external stakeholders and customers for continuously supporting APM Terminals Bahrain.



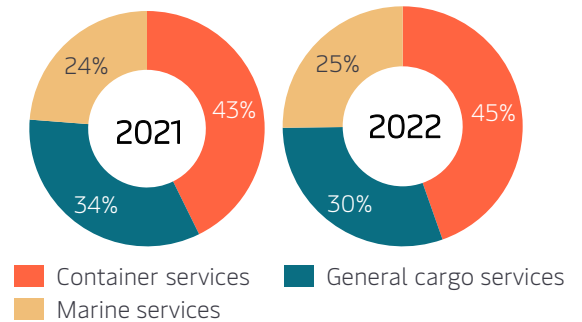
2022 Financial Highlights

2022 Financial Highlights

REVENUE BHD MILLION

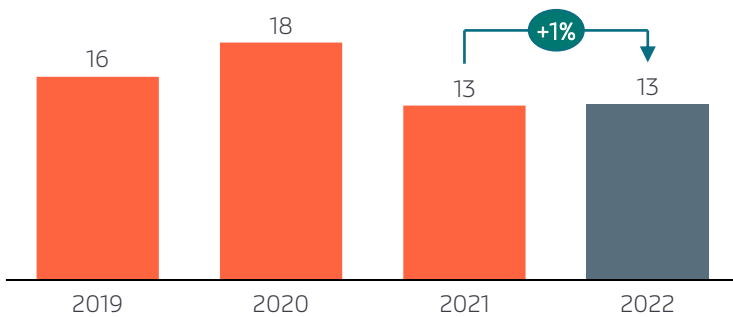


REVENUE BREAKDOWN

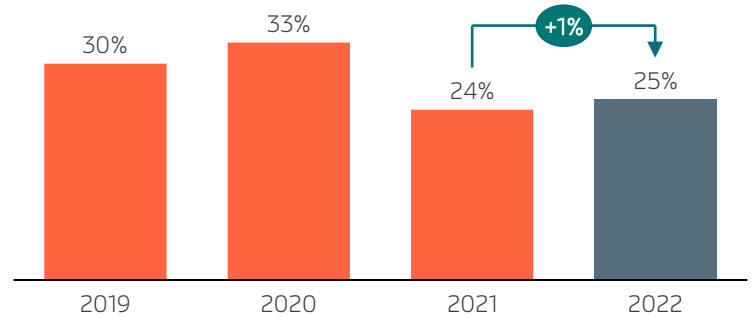


Loss of revenue from Sulb as a customer and lower project related General Cargo resulted in lower revenue in 2022.

GROSS PROFIT BHD MILLION

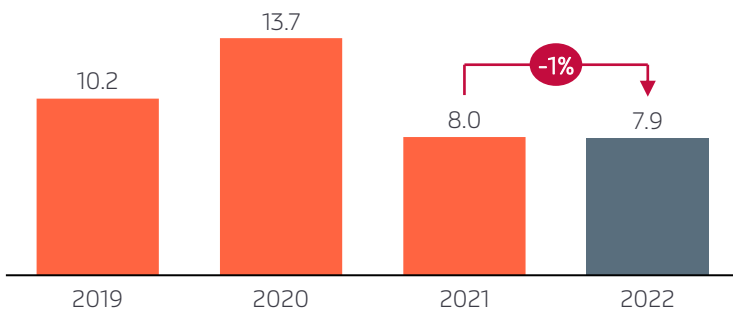


GROSS PROFIT MARGIN (%)

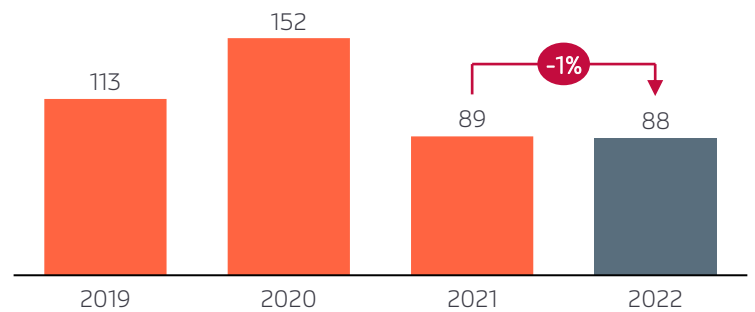


Increase in Gross Profit is mainly driven by cost optimizations and reversal of provision, slightly reduced by higher subcontractor and equipment hiring cost due to Aluminum operations

PROFIT FOR THE YEAR (BHD MILLION)



EARNINGS PER SHARE (FILS)



2022 FY net profit remained in line with last year because drop in revenue was mitigated by cost saving initiatives and provision reversal

Corporate Governance Report



APM TERMINALS
Lifting Global Trade

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.

Corporate Governance Report

DISTRIBUTION OF SHAREHOLDING BY NATIONALITY AS OF 31 DECEMBER 2022

Nationality	No. of Shareholders	No. of Shares	Shareholding %
Bahrain	648	30,590,742	33.99
Netherlands	1	57,600,000	64.00
Saudi Arabia	13	196,602	00.22
Oman	3	425,374	00.47
Kuwait	4	375,197	00.42
UAE	1	361,566	00.40
Others	76	450,519	00.50
Total	746	90,000,000	100.00

OWNERSHIP ACCORDING TO PERCENTAGE/ NO. OF SHARES AS OF 31 DECEMBER 2022

Shareholding (share)	No. of Shareholders	No. of Shares	Shareholding %
Less than 1%	742	14,754,362	16.39
1 % up to less than 5%	2	3,245,638	3.61
5 % up to less than 10%	-		
10 % up to less than 20%	1	14,400,000	16.00
More than 50%	1	57,600,000	64.00
Total	746	90,000,000	100.00

< 50,000	684	5,324,853	5.92
50,000 to 500,000	57	8,688,440	9.65
Greater than 500,000 to 5,000,000	3	3,986,707	4.43
>5,000,000	2	72,000,000	80.00
Total	746	90,000,000	100.00

Corporate Governance Report

MAJOR SHAREHOLDERS (5% AND ABOVE) AS OF 31 DECEMBER 2022

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 Chairman, Mr. David Skov, has resigned during August 2022 and Mr. Soren Sjostrand Jakobsen has been appointed as Chairman of the Board, by secret ballot.
- Mr. Jonathan R. Goldner has been appointed as a member of the Board in place of Mr. David Skov by the majority shareholder, APM Terminals BV.
- The Board is composed of 100% male members and no female members currently serve on the Board of Directors.

Board Member	Type	Position	Term
David Skov	Executive Director	<ul style="list-style-type: none">• Chairman of the Board until 10 Aug 2022	16 Feb 2018 to 12 Dec 2018 13 Dec 2018 to 10 Aug 2022
Soren Sjostrand Jakobsen	Executive Director	<ul style="list-style-type: none">• Chairman of the Board effective 10 Aug 2022• Member of the Board• Member of ARCC	18 Jun 2013 to 12 Dec 2018 13 Dec 2018 to 30 Mar 2022 31 Mar 2022 to 30 Mar 2025
Fawzi Ahmed Kanoo	Executive Director	<ul style="list-style-type: none">• Vice Chairman of the Board	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
Jesper Kjaedegaard	Non-Executive Director	<ul style="list-style-type: none">• Member of the Board• Member of NRGC	13 Dec 2018 to 30 Mar 2022 31 Mar 2022 to 30 Mar 2025
Mohamed Bin Ebrahim Juma Alshroogi	Independent Director	<ul style="list-style-type: none">• Member of the Board• Member of ARCC• Chairman of NRGC	13 Dec 2018 to 30 Mar 2022 31 Mar 2022 to Mar 2025
Nadhem Saleh Al-Saleh	Independent Director	<ul style="list-style-type: none">• Member of the Board• Chairman of ARCC• Member of NRGC	13 Dec 2018 to 30 Mar 2022 31 Mar 2022 to 30 Mar 2025
Jonathan Goldner	Executive Director	<ul style="list-style-type: none">• Member of the Board	10 Aug 2022 to 30 Mar 2025

Corporate Governance Report



Soren Sjostrand Jakobsen

Chairman

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



Fawzi Ahmed Kanoo

Vice Chairman

- Mr. Kanoo 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.
- Mr. Kanoo holds directorship in various companies internationally. Specifically, Mr. Kanoo 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 Goldner

Executive Director

- Mr. Goldner has been part of the A.P. Moller-Maersk organization for over 25 years. Today he is a member of APM Terminals Leadership Team and serves as Regional Managing Director - 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.
- Mr. Goldner attended Texas A&M University, has his Third Officers License, and received his MBA from Columbia University, New York.

Corporate Governance Report



Jesper Kjaedegaard

Non-Executive / Non-Independent Director

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



Mohamed Bin Ebrahim Juma Alshroogi

Independent Director

- Mr. AlShroogi 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.
- Mr. AlShroogi 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.
- Mr. AlShroogi studied at Kuwait University and the Harvard Management Executive Program.



Nadhem Saleh Al Saleh

Independent Director

- Dr. AlSaleh 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.
- Dr. AlSaleh 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.

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 access to 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.

Corporate Governance Report

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.

DIRECTOR'S REMUNERATION

In accordance with the Board remuneration policy, a total of BHD 75,500 for the year 2022 was paid to the Board of Directors as remuneration for their services as follows:

- BHD 62,000 as fixed fee
- BHD 13,500 as sitting fee

Director Name	Fixed Fee	Sitting Fee
David Skov	7,000	750
Soren S. Jakobsen	10,833	2,750
Fawzi Kanoo	10,000	1,250
Jesper Kjaedegaard	10,000	2,250
Mohamed Ebrahim Juma Alshroogi	10,000	2,500
Nadhem Saleh Al Saleh	10,000	2,750
Jonathan Goldner	4,167	1,250
Total	62,000	13,500

Corporate Governance Report

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
Nadhem Saleh Al-Saleh	Independent	Chairman
Mohamed Bin Ebrahim Juma Alshoorgi	Independent	Member
Soren Sjostrand Jakobsen	Non-Independent	Member

Corporate Governance Report

BOARD COMMITTEES

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
Mohamed Bin Ebrahim Juma Alshoorgi	Independent	Chairman
Nadhem Saleh Al-Saleh	Independent	Member
Jesper Kjaedegaard	Non-Independent	Member

Corporate Governance Report

DIRECTORS ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

Board Meeting	28 Feb*	25 Apr*	10 Aug *	7 Nov
David Skov	✓	✓	✓	
Fawzi Ahmed Kanoo	✓	✓	✓	✓
Soren Sjostrand Jakobsen	✓	✓	✓	✓
Jonathan Goldner			✓	✓
Jesper Kjaedegaard	✓	✓	✓	✓
Mohamed Bin Ebrahim Juma Alshroogi	✓	✓	✓	✓
Nadhem Saleh Al Saleh	✓	✓	✓	✓

ARCC Meeting	28 Feb*	25 Apr*	10 Aug *	7 Nov
Nadhem Saleh Al Saleh	✓	✓	✓	✓
Soren Sjostrand Jakobsen	✓	✓	✓	✓
Mohamed Bin Ebrahim Juma Alshroogi	✓	✗	✓	✓

NRGC Meeting	28 Feb*			7 Nov
Mohamed Bin Ebrahim Juma Alshroogi	✓			✓
Nadhem Saleh Al Saleh	✓			✓
Jesper Kjaedegaard	✓			✓

*Attended via conference

Corporate Governance Report

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 2022 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



Maureen Bannerman

Chief Executive Officer (CEO)

- Mrs. Bannerman joined APM Terminals Bahrain as Managing Director in March 2021.
- Mrs. Bannerman has 30 years of experience in the Transportation and Hospitality industries holding several executive roles in various international organisations including Dubai International Airport, Serco Dubai Metro, Abu Dhabi Airports, Network Rail UK and other leading global organizations.
- Mrs. Bannerman brings vast depth of knowledge and experience covering all areas from strategy and operations to business transformation and stakeholder management.
- Maureen holds an MBA degree and Diploma in Business and Finance, Courses in Situational Leadership, Coaching, Mentoring and completion of the Future Ready Leadership Programme from London Business School.



Farooq Zuberi

Chief Financial Officer (CFO)

- Mr. Zuberi joined the Company as CFO in June 2018.
- Prior to joining the Company, Mr. Zuberi 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.
- Mr. Zuberi 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)

- Mr. Al-Qetami retired in 2014 as a Colonel with the Bahrain Defence Force and Bahrain Royal Air Force as Aircraft Engineer. He has over 30 years of leadership, management and projects experience gained at the highest level at Bahrain Defence Force.
- Mr. Al-Qetami joined APM Terminals in August 2015 as GM Security & Government Relations and was promoted to Chief Government and Security Affairs Officer in 2021.
- Mr. Al-Qetami holds a 'Master of Science in Systems Management' (Naval Post-Graduate School Monterey, California USA) and is a Civil Aviation Authority Licensed Engineer – in Aerospace/Avionics (Brunel Technical College Bristol – UK).

Corporate Governance Report



Abdelrahman Elshamy

Chief Operating Officer

- Mr. Elshamy has an overall international experience of 18 years in ports and logistics industry.
- Mr. Elshamy completed his bachelor's degree in law from University of Alexandria, Egypt.
- Mr. Elshamy 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.



Richard G.C. Smith

Chief Commercial Officer (CCO)

- Mr. Smith has over 25 years commercial experience in the Ocean logistics business.
- Initially employed by P&O Containers in the UK, he joined Maersk in 2011 after 7 years outside the industry running his own business. With P&O Nedlloyd and subsequently Maersk, Richard has spent nearly 15 years in commercial roles in east and west Africa, with the last 7 years based in Lagos, Nigeria.
- He holds a bachelor's degree in History & Politics from Durham University in England.



Yosra Abdulla

GM- Human Resources

- Mrs. Abdulla joined APM Terminals Bahrain in November 2019. In addition to her role as GM- Human resources, Yosra have been managing Regional & Global people related projects.
- Mrs. Abdulla previously worked as the Relations & Personal Manager for Nass Contracting Bahrain for almost 12 years and has extensive experience within the human resources field.
- Mrs. Abdulla had worked primarily within the Construction industry. She served many of Bahrain's largest organizations and contributed to the development of the Frontline employees' welfare standards and represented the industry to the International Labour Organization.
- Mrs. Abdulla is a BSc. Degree holder in International Studies, Certified Strategy, and business Planning professional from the KPI institute
- Mrs. Abdulla is also a John Maxwell's Coach, Speaker & Trainer.

Corporate Governance Report



Karl Gnonlonfin

Head of HSE and Transformation

- Mr. Gnonlonfin has been part of APM Terminals since 2005 and joined APM Terminal Bahrain in 2021.
- Mr. Gnonlonfin has 16 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.
- Mr. Gnonlonfin holds a Master's degree in Environment Management and NEBOSH International General Certificate in Health & Safety. Karl is a certified PFSO, a certified Lean and Six Sigma Green & Black Belt as well as a certified Leader of Others and Leader of leaders. Karl is a 2008 Magnet graduate and a 2018 Magnum graduate.



Kevin Blakey

Head of Asset Maintenance

- Mr. Blakey joined APMT in 2017 as Global Head of Asset Maintenance having spent five years with Maersk Oil in Qatar. He brings 20 years of experience from the Oil & Gas industry.
- Mr. Blakey has proven success in embedding new systems, processes, technologies, and ways of working in complex technical environments, supported by his extensive experience of behavioural and people-focused change, to deliver transformative performance improvements and operational outcomes.
- He is also a member of the Institute of Engineering Technology (IET), has an MSc in Asset Integrity Management and is certified as an OIM in Major Emergency Management.

Corporate Governance Report

EXECUTIVE MANAGEMENT SHAREHOLDING

Executive Management	Position	No. of Shares
Maureen Bannerman	Chief Executive Officer	-
Farooq Zuberi	Chief Finance Officer	4,546
Isa Al Qetami	Chief Government and Security Affairs Officer	-
Abdelrahman Elshamy	Chief Operating Officer	-
Richard G.C.Smith	Chief Commercial Officer	-
Yosra Abdulla	GM, Human Resources	-
Karl Darius Gnonlonfin	Head of HSE and Transformation	-
Kevin Blakey	Head of Asset Maintenance	-

TOTAL REMUNERATION PAID TO KEY EXECUTIVE OFFICERS

Total remunerations paid to the top 6 executive management members for the year 2022, including salaries, benefits, allowances, increases, etc. is ~BHD 749,000.

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 corporate governance officer, 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 NREGC and to the Board of Directors.

Corporate Governance Report

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

Name	Qualification	Contact Details
Dana Abdulrahman Alsendi	LLB Law (University of Leicester), LL.M International Corporate Governance & Financial Regulation (University of Warwick), Qualified in the Kingdom of Bahrain	1736 5512

EXTERNAL AUDITORS

Pricewaterhouse Coopers Middle East Limited (PwC) have been the external auditor of the Company for the Financial Year 2022.

Pricewaterhouse Coopers Middle East Limited (PwC) have been appointed as new external auditors in 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
Years of service as the Company's external auditor	Two years
Name of the partner in charge of the Company's audit	John Molloy
The partner's years of service as the partner in charge of the Company's audit	Two years
Audit and related services fee for the FY year 2022 (BHD)	21,210
Non-audit service fee	Nil

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 2022, 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 Governance Report

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 NRCG 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 2022.

Corporate Governance Report

S.N	Entity Name	Expenses (BHD'000)	Revenue (BHD'000)	Justification
APM Terminals B.V. Related Transactions				
1	Maersk Line A/S	2.096	538.913	<ul style="list-style-type: none"> Services provided as business as usual and governed by standard terms FTE outsourcing to assist in reporting
2	Svitzer Bahrain (S.P.C)	928.895		<ul style="list-style-type: none"> Marine services obtained pursuant to sub concession agreement. The lease has been capitalized under IFRS 16 at a net book value of BHD 15.873 Million
3	APMT Management B.V.	96.609		<ul style="list-style-type: none"> Services provided pursuant to Technical Service Agreement: mainly IT related services.
4	APM Terminals B.V.	80.789		<ul style="list-style-type: none"> Services provided pursuant to Technical Service Agreement: mainly management fees
5	APM Terminals Apapa Limited	28.973		<ul style="list-style-type: none"> STA recharges
6	Maersk Training	3.254		<ul style="list-style-type: none"> Training related expenses
7	A.P. Møller - Mærsk A/S	9.97	102.29	<ul style="list-style-type: none"> Interest earned on excess cash deposited with group
8	APM Terminals Mauritania S.A	14.88		<ul style="list-style-type: none"> STA recharges
A.P. Terminals B.V. and Yusuf Bin Ahmed Kanoo (Holdings) Co. W.L.L. Related Transactions				
9	Maersk Kanoo Bahrain WLL	0.02		<ul style="list-style-type: none"> Damage claim recovery
Yusuf Bin Ahmed Kanoo (Holdings) Co. W.L.L. Related Transactions				
10	Al Manhal Water Factory	1.311		<ul style="list-style-type: none"> Lowest bidder among all qualified suppliers. Also, reliable delivery and quality
11	BASREC	0.107		<ul style="list-style-type: none"> Services provided for container inspection
12	Bahrain INTL Cargo Services		33.516	<ul style="list-style-type: none"> Services provided as business as usual and governed by standard terms We also provide space for storage for certain special general cargo at agreed price
13	APL (Bahrain) W.L.L.		441.47	<ul style="list-style-type: none"> Services provided as business as usual and governed by standard terms
14	Yousuf Bin A. Kanoo	11.498	355.238	<ul style="list-style-type: none"> Services provided as business as usual and governed by standard terms Only dealer of hyster and cummins forklift for spares Leasing of 3Ton forklift for 5 Years, selected after getting multiple quotations and found competitive prices and technically approved. These forklifts have been capitalized at a net book value of BHD 0.90 Million
15	Hapag-Lloyd Bahrain Co. W.L.L.		450.87	<ul style="list-style-type: none"> Services provided as business as usual and governed by standard terms

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 2022, has deposited ~BHD 25.2M with A.P. Moller Maersk A/S. The deposits are excess cash which are deposited as part of the treasury advice and instructions received from APM Terminals Management B.V., as part of the treasury advisory and execution services provided by it 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. David Skov, an executive director is the elected Chairman of the Board until August 2022. Effective August 2022, Soren S. Jakobsen 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 2022 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). The Company has exceeded the KPI targets consistently in respect of vessel working rates, crane rates and labour rates. However, the Company has not met its 'throughput per berth meter' KPI target in the years 2014 to 2018.

Corporate Governance Report

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 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 achieved all KPIs for the financial year 2022.

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.

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.

Corporate Governance Report

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.

RISK OF OUTBREAK OF EPIDEMIC, PANDEMIC OR CONTAGIOUS DISEASE

Outbreaks of epidemic, pandemic, or contagious diseases, such as the recent novel coronavirus can result in lockdowns, lower revenue, lesser volumes, higher costs, labour shortages, decreases in productivity, supply chain disruptions, operational disruptions, and changes in the macroeconomic environment. The extent to which such epidemic, pandemic or contagious diseases could impact our operations and business will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration of the outbreak, severity and the actions taken by the government to contain such disease, among others.

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 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 2022 is ~BHD 127,441 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 organized its Go Green initiative. The week-long series of activities were in partnership with key stakeholders such as the Port and Maritime Affairs, Supreme Council of Environment, and the Ministry of Transportation and Telecommunications.

As part of the campaign, the series of activities included celebrations of the UN World Ocean and World Environment Day and were held with the attendance of H.E. Shaikh Ahmed Bin Isa Al Khalifa, the Undersecretary, Port and Maritime at the Ministry of Transportation and Telecommunications.

As part of the campaign, an overview of the company's decarbonization plans were also shared which included continuous technological investments to make Khalifa Bin Salman Port operations safer, greener, and more efficient.



Corporate Social Responsibility

TALENT ACCELERATION PROGRAM BE

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

THE LEADERSHIP TRACK:

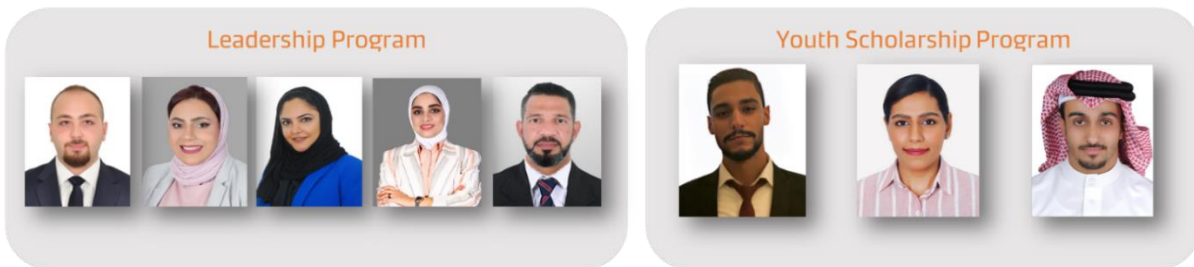
5 leaders have joined APM Terminals Bahrain this year in an initiative to support people who have lost their jobs due to the Covid-19 Pandemic and those who are looking for a career in the logistics field. This initiative is a 2-year development program with an employment opportunity to be mentored, 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.

The program has started in May this year and continues for 2 years until 2024.

THE YOUTH TRACK:

This is 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 for 3 years where the students shall take the certifying exam after which they become officially certified Deck Officers.



Corporate Social Responsibility

INTERNSHIP & GRADUATE PROGRAMS

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 has 2 main programs:

INTERNSHIP PROGRAM:

The Internship Program aims to support active school or university students with gaining the required course credits and work experience as part of their curriculum. The program offers students the opportunity to experience the practical work environment and the duration varies between a minimum of one week and a maximum of three months depending on mutual agreement.

GRADUATE PROGRAM:

The Graduate Program supports and attracts Bahraini fresh graduates by offering them the opportunity to build a starting foundation to shape their career choices. The duration of the program may vary between 12 to 18 months based on mutual agreement and the candidates may be offered employment contracts upon their successful completion depending on vacancies, business need, and their performance during the program.

In 2022, three Graduate Program candidates who have been working with the Asset Management Function have been offered full time employment contracts and one candidate is currently working with the Human Resources Function.

UNIVERSITY STUDENTS SUPPORT PROGRAM



APM Terminals Bahrain launched a strategic project in collaboration with Bahrain Polytechnic, offering students the opportunity to gain hands-on learning in the field of health and safety at the port.

The program gives students the opportunity to gain experience in project management, direct coaching by health and safety professionals, and develop solutions that could potentially be

globally deployed. The 23 students will be participating in three work streams: personal protective equipment (PPE), health & safety induction, and general cargo handling.

Financial Statements



APM Terminals Bahrain B.S.C.

FINANCIAL STATEMENTS

31 DECEMBER 2022

APM Terminals Bahrain B.S.C
FINANCIAL STATEMENTS
For the year ended 31 December 2022

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Corporate Information

Commercial Registration 60982 - 1

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

Directors

Name	Designation	Date of appointment	Date of reappointment
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>Non-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 2022

On behalf of the Board of Directors, it is our pleasure in presenting the Company's financial statements (pages 9 to 41) for the year ended 31 December 2022.

Financial highlights (BD 000's)

	2022	2021
Revenue	37,257	39,017
Profit for the year	7,883	7,984
Total equity	21,383	21,484
Total assets	55,710	56,536

Director's remuneration

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

Name	Remuneration of the Chairman and BOD (000)	Total allowance for attending Board and Committee Meetings (000)	Total (000)
Chairman			
Soren Sjostrand Jakobsen	11	3	14
Ex-Chairman			
David Skov	7	1	8
Vice-Chairman			
Fawzi Ahmed Kanoo	10	1	11
Executive Director			
Jonathan Goldner	4	1	5
Non-Executive Director			
Jesper Kjaedegaard	10	2	12
Independent Director			
Mohamed Ebrahim Alshroogi	10	3	13
Nadhem Saleh Al-Saleh	10	3	13
Total	62	14	76

Executive management	Total paid salaries and allowances	Total paid bonus	Any other cash / in kind remuneration	Total
Managing Director, Chief Commercial Officer, Chief Financial Officer, Chief Operating Officer, GM Human Resources, GM HSE and Transformation	641	109	-	750

APM Terminals Bahrain B.S.C
DIRECTORS' REPORT
for the year ended 31 December 2022

Representations and audit

The Company's activities for the year ended 31 December 2022 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 2022, which would in any way invalidate the financial statements on pages 9 to 41.

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, who have signified their willingness to continue in office for the next accounting year.

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 7,883 thousands.

DocuSigned by:

Soren Jakobsen

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Soren Sjostrand Jakobsen
Chairman



Fawzi Ahmed Kanoo
Vice Chairman

20 February 2023



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

Report on the audit of the financial statements

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 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2022;
- 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 significant accounting policies and other explanatory information.

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.

Our audit approach

Overview

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 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)

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.

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 International Financial Reporting 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.

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)

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 2022 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.

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
20 February 2023

APM Terminals Bahrain B.S.C.
STATEMENT OF FINANCIAL POSITION
as at 31 December 2022

BD 000's

	Note	2022	2021
ASSETS			
Intangible assets	4	24,206	25,639
Equipment and vehicles	5	1,153	670
Total non-current assets		25,359	26,309
Inventories	6	409	362
Trade receivables	7	1,671	1,550
Other receivables and prepayments	8	738	285
Due from related parties	22	977	788
Balances with Group Treasury	22	25,199	25,512
Cash and cash equivalents	9	1,357	1,730
Total current assets		30,351	30,227
Total assets		55,710	56,536
EQUITY AND LIABILITIES			
Equity			
Share capital	10	9,000	9,000
Statutory reserve	11	4,500	4,500
Retained earnings		7,883	7,984
Total equity		21,383	21,484
Liabilities			
Lease and other financial liabilities	12	24,006	24,330
Employee leaving indemnities	13	864	738
Total non-current liabilities		24,870	25,068
Trade and other payables	14	7,301	8,035
Due to related parties	22	618	514
Lease and other financial liabilities	12	1,538	1,435
Total current liabilities		9,457	9,984
Total liabilities		34,327	35,052
Total equity and liabilities		55,710	56,536

The financial statements were approved by the Board of Directors on 20 February 2023 and signed on its behalf by:

DocuSigned by:

 Soren Sjestrand

Soren Sjestrand
Chairman


Fawzi Ahmed Kanoo
Vice Chairman

The accompanying notes 1 to 28 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 2022

BD 000's

	Note	2022	2021
Revenue	15	37,257	39,017
Direct operating expenses	16	(14,297)	(13,766)
Other direct expenses	17	(9,521)	(11,932)
Gross profit		13,439	13,319
Other operating income		154	79
Gain on disposal of equipment and vehicles		-	9
General and administrative expenses	18	(4,201)	(4,215)
(Charge)/reversal from expected credit losses on trade receivables		(77)	26
Operating profit		9,315	9,218
Finance income		496	596
Finance expense	19	(1,928)	(1,830)
Net finance costs		(1,432)	(1,234)
Profit for the year		7,883	7,984
Other comprehensive income		-	-
Total comprehensive income for the year		7,883	7,984
Earnings per share			
Basic and diluted earnings per share (in fils)	20	88	89

These financial statements were approved for issue by the Board of Directors of the Company on 20 February 2023 and signed on its behalf by:

DocuSigned by:

Soren Jakobsen

DC8B47B239EC4D5
Soren Sjostrand Jakobsen
Chairman



Fawzi Ahmed Kanoo
Vice Chairman

The accompanying notes 1 to 28 are an integral part of these financial statements.

2022	Share capital	Statutory reserve	Retained earnings	Total
At 1 January	9,000	4,500	7,984	21,484
Total comprehensive income for the year	-	-	7,883	7,883
Transactions with shareholders in their capacity as shareholders				
Dividend for 2021 (Note 21)	-	-	(7,984)	(7,984)
At 31 December	9,000	4,500	7,883	21,383

2021	Share capital	Statutory reserve	Retained earnings	Total
At 1 January	9,000	4,500	13,662	27,162
Total comprehensive income for the year	-	-	7,984	7,984
Transactions with shareholders in their capacity as shareholders				
Dividend for 2020 (Note 21)	-	-	(13,662)	(13,662)
At 31 December	9,000	4,500	7,984	21,484

The accompanying notes 1 to 28 are an integral part of these financial statements.

	Note	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		7,883	7,984
<i>Adjustments for:</i>			
Amortisation	4	2,478	2,333
Depreciation	5	329	366
Finance expense		1,928	1,830
Gain on sale of equipment and vehicles		-	(9)
Charge/(reversal) of impairment on trade receivables	7	77	(26)
Provision for impairment of inventories	6	24	12
Finance income		(379)	(484)
Employee leaving indemnities – charge	13	149	135
<i>Changes in:</i>			
- Inventories		(71)	(30)
- Trade receivables		(198)	44
- Other receivables and prepayments		(453)	175
- Due from related parties		22	215
- Trade and other payables		(734)	761
- Due to related parties		104	138
Employee leaving indemnities – paid	13	(23)	(77)
Net cash generated from operating activities		11,136	13,367
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of equipment and vehicles		(812)	(188)
Purchase of intangible assets	4	(20)	(158)
Proceeds from maturity of placements with Group Treasury		24,411	29,693
Placements with Group Treasury		(23,930)	(25,444)
Proceeds from disposal of equipment and vehicles		-	9
Net cash (used in)/ generated from investing activities		(351)	3,912
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liabilities and other financial liabilities		(1,246)	(1,241)
Payment of finance expenses		(1,928)	(1,830)
Dividend paid	21	(7,984)	(13,662)
Net cash used in financing activities		(11,158)	(16,733)
Net (decrease)/increase in cash and cash equivalents during the year		(373)	546
Cash and cash equivalents at beginning of the year		1,730	1,184
Cash and cash equivalents at end of the year	9	1,357	1,730

Non-cash activities include additions to right-of-use assets and lease liabilities of BD 1,025 (2021: BD 508).

The accompanying notes 1 to 28 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 "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 2022 is 31% (2021: 31%) and 3% penalty in case of failure to meet transshipment 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 International Financial Reporting Standards ("IFRS") 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 and loss.

d) Early adoption of standards

The Company has not early adopted any new standards in 2022.

e) New standards, amendments and interpretations effective from 1 January 2022

- COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16).
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37).
- Annual Improvements to IFRS Standards 2018 – 2020.
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Reference to the Conceptual Framework (Amendments to IFRS 3)

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 2022:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1).
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.
- Definition of Accounting Estimate (Amendments to IAS 8).
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2).
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).

The management is still assessing the expected impact of these new standards and interpretations on the Company's financial statements.

There are no other new standards or interpretations published that should be adopted by the Company for the annual periods starting on or after 1 January 2022 and which could have a material impact 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.

Assumptions and estimation uncertainties:

Information about assumptions and estimation uncertainties at 31 December 2022 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 test of intangible assets
- 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 SIGNIFICANT ACCOUNTING POLICIES

The significant 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 SIGNIFICANT 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:

Asset category	Estimated useful life in years
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 acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the statement of profit or loss and other comprehensive income in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss and other comprehensive income in the expense category that is consistent with the function of the intangible assets.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Intangible assets (continued)

Port concession rights

The Company recognises an intangible asset arising from a service concession arrangement when it has a right to charge for use of the concession infrastructure. An intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement is measured at fair value on initial recognition with reference to the fair value of the services provided. The port concession rights include all costs incurred towards construction of the container terminal.

The port concession rights are stated at cost, less amortization of cost. The estimated useful life of an intangible asset in a service concession arrangement is the period from when the Company is able to charge the public for the use of the infrastructure to the end of the concession period which is 25 years or life of the underlying assets, whichever is shorter.

Intangible assets include the amount of concession fee paid to the Government in accordance with the KBSP Agreement entered with the Government for the operation of the KBSP and the present value of the minimum lease payments of KBSP. These intangible assets have finite useful life and are measured at cost less amortisation and accumulated impairment loss, if any. Amortisation is recognised in the profit or loss on a straight-line basis over the concession agreement period of 25 years.

Other intangible assets

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.

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.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

3 SIGNIFICANT 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 costs 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 costs are "other receivables", "trade receivable", "amounts due from related parties", "balances with Group treasury" and "cash and cash equivalents".

3 SIGNIFICANT 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 and other receivables are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

3 SIGNIFICANT 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 2022 or 1 January 2022 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 SIGNIFICANT 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 SIGNIFICANT 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. The Company may elect to discontinue such appropriation when the reserves reach 50% of the capital. This reserve is not available for distribution to shareholders, except in the circumstances stipulated in the Commercial Companies Law.

4 INTANGIBLE ASSETS

2022	Assets as per the Concession Agreement							Software and licenses	Total
	Service concession rights	Marine Service Equipment	Computer Equipment	Cranes & Transtainers	Machinery & Equipment	Vehicles	Capital work-in progress		
Cost									
Balance as at 1 January	9,731	20,601	238	15,244	1,625	822	-	830	49,091
Remeasurement during the year *	-	1,025	-	-	-	-	-	-	1,025
Additions	-	-	-	-	-	-	-	20	20
At 31 December	9,731	21,626	238	15,244	1,625	822	-	850	50,136
Accumulated amortisation									
At 1 January	4,961	4,052	224	11,454	1,202	822	-	737	23,452
Amortisation	389	1,619	12	309	114	-	-	35	2,478
At 31 December	5,350	5,671	236	11,763	1,316	822	-	772	25,930
Net book value 31 December	4,381	15,955	2	3,481	309	-	-	78	24,206

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

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)

2021	Assets as per the Concession Agreement							Software and licenses	Total
	Service concession rights	Marine Service Equipment	Computer Equipment	Cranes & Transtainers	Machinery & Equipment	Vehicles	Capital work-in progress		
Cost									
Balance as at 1 January	9,731	20,241	238	15,175	1,604	822	37	725	48,573
Remeasurement during the year *	-	360	-	-	-	-	-	-	360
Additions	-	-	-	-	21	-	32	105	158
Transfer	-	-	-	69	-	-	(69)	-	-
At 31 December	9,731	20,601	238	15,244	1,625	822	-	830	49,091
Accumulated amortization									
At 1 January	4,573	2,654	206	11,052	1,089	820	-	725	21,119
Amortisation	388	1,398	18	402	113	2	-	12	2,333
At 31 December	4,961	4,052	224	11,454	1,202	822	-	737	23,452
Net book value 31 December	4,770	16,549	14	3,790	423	-	-	93	25,639

* 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

2022

	Leased Forklifts	Leased Flats	Computer Equipment	Cranes & Transtainers	Furniture & Fixtures	Machinery & Equipment	Vehicles	Tools	Leasehold Improvement	Capital work-in progress	Total
Cost											
Balance as at 1 January	145	148	1,045	2,163	189	1,415	743	60	30	-	5,938
Additions	-	-	2	-	17	26	-	6	-	761	812
Disposals	-	(148)	(5)	-	(3)	-	-	-	-	-	(156)
At 31 December	145	-	1,042	2,163	203	1,441	743	66	30	761	6,594
Accumulated depreciation											
At 1 January	41	74	886	2,150	103	1,261	683	40	30	-	5,268
Depreciation	29	74	97	3	22	68	29	7	-	-	329
Disposals	-	(148)	(5)	-	(3)	-	-	-	-	-	(156)
At 31 December	70	-	978	2,153	122	1,329	712	47	30	-	5,441
Net book value 31 December	75	-	64	10	81	112	31	19	-	761	1,153

5 EQUIPMENT AND VEHICLES (continued)

2021	Leased Forklifts	Leased Flats	Computer Equipment	Cranes & Transtainers	Furniture & Fixtures	Machinery & Equipment	Vehicles	Tools	Leasehold Improvement	Capital work-in progress	Total
Cost											
Balance as at 1 January	145	-	963	2,163	141	1,470	743	41	30	-	5,696
Additions	-	148	82	-	48	20	-	19	-	19	336
Transfer	-	-	-	-	-	19	-	-	-	(19)	-
Disposals	-	-	-	-	-	(94)	-	-	-	-	(94)
At 31 December	145	148	1,045	2,163	189	1,415	743	60	30	-	5,938
Accumulated depreciation											
At 1 January	12	-	780	2,127	87	1,269	656	35	30	-	4,996
Depreciation	29	74	106	23	16	86	27	5	-	-	366
Disposals	-	-	-	-	-	(94)	-	-	-	-	(94)
At 31 December	41	74	886	2,150	103	1,261	683	40	30	-	5,268
Net book value 31 December	104	74	159	13	86	154	60	20	-	-	670

6 INVENTORIES

	2022	2021
At 1 January	837	807
Purchased during the year	647	1,199
Consumed during the year	(576)	(1,169)
	908	837
Less: Provision for obsolescence	(499)	(475)
At 31 December	409	362

Movement in provision for obsolescence:

	2022	2021
At 1 January	475	463
Charge for the year, net	24	12
At 31 December	499	475

7 TRADE RECEIVABLES

	2022	2021
Trade receivables	2,166	1,968
Less: Provision for loss allowance	(495)	(418)
	1,671	1,550

Movement in provision for loss allowance:

	2022	2021
At 1 January	418	444
Charge for the year	77	-
Reversal for the year, net	-	(26)
At 31 December	495	418

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

	2022	2021
Prepayments	52	211
Advances to suppliers	498	-
Fair value of derivatives (refer note 28)	40	12
Other receivables	148	62
	738	285

9 CASH AND CASH EQUIVALENTS

	Ratings	2022	2021
Balances with banks	A+ to BB+	1,357	1,730

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

	2022	2021
90,000,000 shares of 100 fils each (2021: 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%	14,754	742	16.4%
1 % up to less than 5%	3,246	2	3.6%
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%
Total	90,000	746	100.0%

* 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 2021 and 31 December 2022.

12 LEASE AND OTHER FINANCIAL LIABILITIES

a) Amounts recognised in the statement of financial position

i) Intangible assets include marine service equipment amounting to BD 15,955 (2021: BD 16,549) (note 4). Right of use assets include leased forklifts and leased flats amounting to BD 75 (2021: BD 178) (note 5).

ii) Lease and other financial liabilities

	2022	2021
Marine service equipment (Financial liability)	18,182	18,001
Service concession rights (Financial liability)	7,282	7,572
Lease of forklifts (Lease liability)	80	117
Lease of flats (Lease liability)	-	75
	25,544	25,765

	2022	2021
Non-current portion of lease and other financial liability	24,006	24,330
Current portion of lease and other financial liability	1,538	1,435
	25,544	25,765

b) Amounts recognised in the profit or loss:

	2022	2021
Amortization charge on intangible assets (note 4)	1,619	1,398
Depreciation charge on right-of-use assets (note 5)	103	103
Interest expense on financial liabilities (included in finance expense note 19)	1,912	1,770
Interest expense on lease liabilities (included in finance expense note 19)	27	9
Expense relating to short-term leases	77	71
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	-	1

c) The total cash outflow for leases in 2022 was BD 1,246 (2021: BD 1,241).

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:

	2022	2021
At 1 January	738	680
Charge for the year	149	135
Paid during the year	(23)	(77)
At 31 December	864	738

13 EMPLOYEES LEAVING INDEMNITIES (continued)

	2022	2021
Charge for the year		
General and administrative expenses	41	43
Direct operating expenses	108	92
At 31 December	149	135

14 TRADE AND OTHER PAYABLES

	2022	2021
Royalty payable to the Government of Bahrain	2,939	4,190
Trade payables	89	539
Advances from customers	200	248
Accrued expenses	3,316	2,378
Provisions	757	680
	7,301	8,035

15 REVENUE

	2022	2021
Container services	16,620	16,661
General cargo services	11,253	13,082
Marine services	9,384	9,274
	37,257	39,017

Revenue is generated only in the Kingdom of Bahrain.

16 DIRECT OPERATING EXPENSES

	2022	2021
Salaries and related costs	5,199	4,964
Subcontracting charges	2,880	2,889
Amortization (Note 4)	2,478	2,333
Maintenance and repairs	1,420	1,331
Fuel and electricity	1,205	1,207
Equipment hiring charges	521	422
Depreciation (Note 5)	329	366
Operational insurance	174	155
Customs duty and freight charges	45	68
Charge for provision on inventories (note 6)	24	12
Other expenses	22	19
	14,297	13,766

17 OTHER DIRECT EXPENSES

	2022	2021
Royalty to Government of Bahrain	9,521	11,932

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. During the year ended 31 December 2022, the Company recorded a reversal of the royalty accrual relating to the year ended 31 December 2021 amounting to BD 892.

18 GENERAL AND ADMINISTRATIVE EXPENSES

	2022	2021
Salaries and related costs	2,210	2,442
Computer expenses	398	315
Management and administration fee	332	343
Office expenses	275	189
Security costs	235	219
Subcontracting charges	183	147
Corporate social responsibility	121	20
Repair and accident claims	80	101
Board of Directors' fee	76	80
Legal and professional charges	74	146
Training expenses	41	43
Communication expenses	27	30
Travel expenses	20	-
Other expenses	129	140
	4,201	4,215

19 FINANCE EXPENSE

	2022	2021
Financial liabilities interest expense	1,912	1,770
Bank charges	37	32
Lease interest expense	27	9
Foreign exchange(gain) loss, net	(48)	19
	1,928	1,830

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:

	2022	2021
Profit for the year (BD 000's)	7,883	7,984
Weighted average number of shares (000's)	90,000	90,000
Basic and diluted earnings per share (fils)	88	89

21 APPROPRIATIONS

The Board of Directors have proposed the following appropriations for the year 2022:

	2022	2021
Cash dividend proposed	7,883	7,984

At the Annual General Meeting of the shareholders held on 30 March 2022, the shareholders approved a cash dividend of BD 7,984 for the year ended 31 December 2021.

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. Transactions with related parties are at agreed terms. All transactions with related parties are made on market terms with its associates. The following are the major transactions:

Description	Parent company	Group company	Entities which shareholders and directors have interest in	Total
As at 31 December 2022				
<u>Current Assets</u>				
<i>Due from related parties</i>				
Trade receivable	183	-	462	645
Interest receivable on deposits	260	-	-	260
Other receivables	-	72	-	72
	443	72	462	977
Balances with Group Treasury	25,199	-	-	25,199
<u>Non-Current Liabilities</u>				
<i>Due to related parties</i>				
Non-current portion of financial liabilities	-	17,004	51	17,055
<u>Current Liabilities</u>				
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
	2,761	-	5,427	8,188
<u>Expenses</u>				
Subcontracting charges	-	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

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 3.45% p.a. (2021: 1.23% p.a.)

22 RELATED PARTY TRANSACTIONS (continued)

A cash outflow of BD 2,135 (2021: BD 2,037) related to lease rental payments were made to the Group company and BD 32 (2021: BD 32) to other shareholders during the year.

Description	Parent company	Group company	Entities which shareholders and directors have interest in	Total
As at 31 December 2021				
<u>Assets</u>				
<i>Due from related parties</i>				
Trade receivables	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 Liabilities</u>				
<i>Due to related parties</i>				
Non-current portion of financial liabilities	-	16,695	80	16,775
<u>Current Liabilities</u>				
Trade payables	-	-	6	6
Other payables	-	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
For the year ended 31 December 2021				
<u>Income</u>				
Revenue	2,487	-	5,991	8,478
Finance income	476	-	-	476
	2,963	-	5,991	8,954
<u>Expenses</u>				
Subcontracting charges	-	3,426	-	3,426
Management and administration fee	343	-	-	343
Computer expenses	243	-	-	243
Maintenance and repairs	-	-	30	30
Board Remuneration	42	-	38	80
Other expenses	46	84	153	283

Other related party transactions for the year ended 31 December

Description	Parent/ Group company		Entities which shareholders and directors have interest in		Total	
	2022	2021	2022	2021	2022	2021
Purchase of inventories	-	-	20	72	20	72

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:

	2022	2021
Salaries and other short-term benefits	904	931
Post-employment benefits for the year	22	24
Board remuneration and sitting fees for the year	76	80
Post-employment benefits payable	66	58

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 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 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 to 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 and receivables.

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. Since the Company is providing services locally, 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 perceives that the trade receivable balances are of good credit quality as these are primarily:

- government-owned companies;
- well established private companies, and
- 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:

	2022	2021
Balances with banks	1,357	1,730
Trade receivables	1,671	1,550
Other receivables	148	62
Due from related parties	977	788
Balances with Group Treasury	25,199	25,512
	29,352	29,642

24 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

a) Credit risk (continued)

(ii) Impairment Losses

The aging of trade receivables at the reporting date was:

	2022			2021		
	Gross	Weighted Average Loss Rate	Loss Allowance	Gross	Weighted Average Loss Rate	Loss Allowance
Current (not past due)	1,171	1%	7	1,211	1%	8
Past due:						
0-90 days	402	1%	4	238	1%	2
91-180 days	39	10%	4	67	10%	7
181-270 days	93	30%	28	43	30%	13
271-365 days	18	50%	9	41	49%	20
Over 365 days	443	100%	443	368	100%	368
	2,166	23%	495	1,968	21%	418

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 2022 and 2021, 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
2022						
Trade and other payables	6,344	6,344	6,344	-	-	-
Due to related parties	618	618	618	-	-	-
Lease and other financial liabilities	25,544	36,151	2,035	1,129	3,022	29,965
	32,506	43,113	8,997	1,129	3,022	29,965
2021						
Trade and other payables	7,107	7,107	7,107	-	-	-
Due to related parties	514	514	514	-	-	-
Lease and other financial liabilities	25,765	37,575	1,986	1,093	3,016	31,480
	33,386	45,196	9,607	1,093	3,016	31,480

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 defines capital as total equity, which are for a significant term to ensure that the Company will be adequately capitalized till the internal accruals are sufficient for a sustainable growth.

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 instrument by category

At 31 December 2022 and 2021, 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:

	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Financial liabilities at amortised cost	Total carrying value
31 December 2022				
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
	29,352	40	-	29,392
Trade and other payables	-	-	7,301	7,301
Due to related parties	-	-	618	618
Lease and other financial liabilities	-	-	25,544	25,544
	-	-	33,463	33,463

	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Financial liabilities at amortised cost	Total carrying value
31 December 2021				
Trade receivables	1,550	-	-	1,550
Other receivables	62	12	-	74
Due from related parties	788	-	-	788
Balances with Group Treasury	25,512	-	-	25,512
Cash and cash equivalents	1,730	-	-	1,730
	29,642	12	-	29,654
Trade and other payables	-	-	8,035	8,035
Due to related parties	-	-	514	514
Lease and other financial liabilities	-	-	25,765	25,765
	-	-	34,314	34,314

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 hierarchy.

26 COMMITMENTS AND CONTINGENT LIABILITIES

	2022	2021
Capital commitments	1,487	2
Contingent liabilities	10	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 2022	25,765	9,000	4,500	7,984	47,249
Remeasurement of IFRS 16	1,025	-	-	-	1,025
<i>Changes from financing cash flows</i>					
Lease and other financial liability	(1,246)	-	-	-	(1,246)
Finance expense	(1,939)	-	-	-	(1,939)
Dividends paid	-	-	-	(7,984)	(7,984)
Total changes from financing cash flows	(3,185)	-	-	(7,984)	(11,169)
Liability-related changes	1,939	-	-	-	1,939
Equity-related changes	-	-	-	7,883	7,883
Balance at 31 December 2022	25,544	9,000	4,500	7,883	46,927

	Liabilities	Equity			Total
	Lease and other financial liability	Share capital	Statutory reserve	Retained earnings	
Balance at 1 January 2021	26,498	9,000	4,500	13,662	53,660
Remeasurement of IFRS 16	360	-	-	-	360
<i>Changes from financing cash flows</i>					
Lease and other financial liability	(1,241)	-	-	-	(1,241)
Finance expense	(1,779)	-	-	-	(1,779)
Dividends paid	-	-	-	(13,662)	(13,662)
Total changes from financing cash flows	(3,020)	-	-	(13,662)	(16,682)
Liability-related changes	1,927	-	-	-	1,927
Equity-related changes	-	-	-	7,984	7,984
Balance at 31 December 2021	25,765	9,000	4,500	7,984	47,249

28 DERIVATIVES

The Company has entered into foreign currency forward and swap contracts with a bank with nominal value of BD 25,997 (2021: BD 25,449) maturing within one year. The fair value as at the year end amounted to BD 40 (2021: BD 12) and is included under other assets.