

APM Terminals Bahrain B.S.C.
CONDENSED INTERIM FINANCIAL INFORMATION
30 SEPTEMBER 2021

APM Terminals Bahrain B.S.C.

CONDENSED INTERIM FINANCIAL INFORMATION
For the nine month period ended 30 September 2021

CONTENTS	Page
Independent auditors' report on review of condensed interim financial information	1
Condensed Interim Financial Information	
Condensed interim statement of financial position	2
Condensed interim statement of profit or loss and other comprehensive income	3
Condensed interim statement of changes in equity	4
Condensed interim statement of cash flows	5
Notes to the condensed interim financial information	6 - 13
Unreviewed Supplementary Information	
Financial Impact of COVID-19	14



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

Introduction

We have reviewed the accompanying condensed interim statement of financial position of APM Terminals Bahrain B.S.C. (the "Company") as at 30 September 2021 and the related condensed interim statement of profit or loss and other comprehensive income for the three month and nine month periods and the related condensed interim statements of changes in equity and cash flows for the nine month period then ended and significant accounting policies and other explanatory notes (on pages 2 to 13). The Board of Directors of the Company is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting" as issued by the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information (on pages 2 to 13) is not prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting" as issued by the IASB.

A handwritten signature in black ink that reads "PricewaterhouseCoopers".

PricewaterhouseCoopers M.E Limited
Partner's registration number: 255
Manama, Kingdom of Bahrain
9 November 2021

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
As at 30 September 2021

BD 000's

	Note	30 September 2021 (reviewed)	31 December 2020 (audited)
ASSETS			
Intangible assets		4,966	5,158
Equipment and vehicles		21,958	22,996
Total non-current assets		26,924	28,154
Inventories		466	344
Trade receivables		1,553	1,568
Other receivables and prepayments		706	431
Due from related parties	4	1,122	1,174
Balances with Group Treasury	4	22,037	29,106
Cash and cash equivalents		1,779	1,184
Total current assets		27,663	33,807
Total assets		54,587	61,961
EQUITY AND LIABILITIES			
Equity			
Share capital		9,000	9,000
Statutory reserve		4,500	4,500
Retained earnings		6,220	13,662
Total equity		19,720	27,162
Liabilities			
Lease liabilities		24,622	25,276
Employee leaving indemnities		709	680
Total non-current liabilities		25,331	25,956
Trade and other payables		7,549	7,245
Due to related parties	4	573	376
Lease liabilities		1,414	1,222
Total current liabilities		9,536	8,843
Total liabilities		34,867	34,799
Total equity and liabilities		54,587	61,961

The condensed interim financial information was approved by the Board of Directors on 9 November 2021 and signed on its behalf by:



David Skov
Chairman



Fawzi Ahmed Kanoo
Vice Chairman

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

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the three and nine months ended 30 September 2021 BD 000's

	Note	For the nine months ended		For the three months ended	
		30 September 2021 (reviewed)	30 September 2020 (reviewed)	30 September 2021 (reviewed)	30 September 2020 (reviewed)
Revenue	5	29,414	32,871	9,705	11,761
Direct operating expenses	6	(9,713)	(10,533)	(3,468)	(3,713)
Gross profit		19,701	22,338	6,237	8,048
Other operating income		58	49	19	18
Gain on disposal of equipment and vehicles		9	1	-	-
Other operating expenses	7	(9,325)	(9,048)	(3,073)	(3,262)
General and administrative expenses	8	(3,148)	(2,976)	(967)	(1,157)
Net impairment losses on trade receivables		(39)	(7)	(14)	(12)
Operating profit		7,256	10,357	2,202	3,635
Finance income		370	393	139	111
Finance expense		(1,406)	(1,394)	(517)	(494)
Net finance costs		(1,036)	(1,001)	(378)	(383)
Other income		-	803	-	-
Profit for the period		6,220	10,159	1,824	3,252
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		6,220	10,159	1,824	3,252
Earnings per share					
Basic and diluted earnings per share (in fils)	14	69	113	20	36

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

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
For the nine months ended 30 September 2021

BD 000's

	Share capital	Statutory reserve	Retained earnings	Total
2021 (reviewed)				
At 1 January 2021	9,000	4,500	13,662	27,162
Total comprehensive income for the period	-	-	6,220	6,220
Transactions with owners in their capacity as owners				
Cash dividend declared for 2020 (Note 11)	-	-	(13,662)	(13,662)
At 30 September 2021	9,000	4,500	6,220	19,720

	Share capital	Statutory reserve	Retained earnings	Total
2020 (reviewed)				
At 1 January 2020	9,000	4,500	10,161	23,661
Total comprehensive income for the period	-	-	10,159	10,159
Transactions with owners in their capacity as owners				
Cash dividend declared for 2019 (Note 11)	-	-	(10,161)	(10,161)
At 30 September 2020	9,000	4,500	10,159	23,659

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

CONDENSED INTERIM STATEMENT OF CASH FLOWS
For the nine months ended 30 September 2021

BD 000's

	30 September 2021 (reviewed)	30 September 2020 (reviewed)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	6,220	10,159
<i>Adjustments for:</i>		
Depreciation	1,743	1,631
Amortisation	298	294
Finance expense	1,406	1,394
Gain on sale of equipment and vehicles	(9)	(1)
Allowance for/(reversal of) impairment on trade receivables	39	(10)
Provision for/(reversal of) impairment of inventories	13	(7)
Finance income	(370)	(393)
Employee leaving indemnities – charge	108	110
<i>Changes in:</i>		
- Inventories	(135)	(65)
- Trade receivables	(24)	(328)
- Other receivables and prepayments	(275)	(173)
- Due from related parties	167	-
- Trade and other payables	291	1,651
- Due to related parties	197	65
Employee leaving indemnities – paid	(79)	(13)
Net cash generated from operating activities	9,590	14,314
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment and vehicles	(314)	(444)
Proceeds from maturity of placements with Group Treasury	14,100	12,164
Placements with Group Treasury	(6,776)	(13,019)
Proceeds from disposal of equipment and vehicles	9	1
Net cash generated from/(used in) investing activities	7,019	(1,298)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of finance expense	(1,382)	(1,370)
Payment of lease liabilities	(970)	(870)
Dividend paid	(13,662)	(10,133)
Net cash used in financing activities	(16,014)	(12,373)
Net increase in cash and cash equivalents during the period	595	643
Cash and cash equivalents at the beginning of the period	1,184	3,109
Cash and cash equivalents at end of the period	1,779	3,752

Non-cash activities include additions to right-of-use assets and lease liabilities of BHD 148 (2020: BHD nil).

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

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
For the nine months ended 30 September 2021

BD 000's

1 REPORTING ENTITY

APM Terminals Bahrain B.S.C (the "Company") is a joint stock company incorporated in the Kingdom of Bahrain on 11 May 2006 under Commercial Registration (CR) number 60982 issued by the Ministry of Industry and Commerce. The Company is a subsidiary of APM Terminals B.V. (the "Parent Company"), a Dutch company. Maersk Holding B.V, Rotterdam is the ultimate parent company of the Group. The Company operates the Khalifa Bin Salman Port.

2 BASIS OF PREPARATION**a) Statement of compliance**

This condensed interim financial information has been prepared in accordance with IAS 34, "*Interim Financial Reporting*", and should be read in conjunction with the Company's last audited financial statements as at and for the year ended 31 December 2020 ('last annual financial statements'), which have been prepared in accordance with International Financial Reporting Standards (IFRSs). This condensed interim financial information does not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements as at and for the year ended 31 December 2020.

The condensed interim financial information is reviewed, not audited. The comparatives for the condensed interim statement of financial position have been extracted from the audited financial statements for the year ended 31 December 2020. The comparatives for condensed interim statements of profit or loss and other comprehensive income, cash flows and changes in equity have been extracted from the reviewed condensed interim financial information for the nine month period ended 30 September 2020.

For further information, refer to the annual audited financial statements of the Company and notes thereto for the year ended 31 December 2020.

b) Use of judgements and estimates

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

In preparing the condensed interim financial information, significant judgments made by the management in applying the accounting policies and key source of estimation uncertainty were the same as those applied to the audited financial statements as at and for the year ended 31 December 2020.

c) Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited financial statements for the year ended 31 December 2020.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in this condensed interim financial information are the same as those applied in the Company's audited financial statements as at and for the year ended 31 December 2020 unless otherwise stated.

New Standards, Amendment to Standards and Interpretations:

There are no new standards issued, however, there are a number of amendments to standards which are effective from 1 January 2021 and have been explained in the audited financial statements for the year ended 31 December 2020, but they do not have a material effect on the Company's condensed interim financial information.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
For the nine months ended 30 September 2021

BD 000's

4 RELATED PARTY TRANSACTIONS

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

Description	Parent/ Group company	Other related parties	Total
As at 30 September 2021 (reviewed)			
<u>Current assets</u>			
<i>Due from related parties</i>			
Trade receivables	300	487	787
Interest receivable on deposits	335	-	335
	635	487	1,122
Balances with Group Treasury	22,037	-	22,037
<u>Non-current liability</u>			
<i>Due to related parties</i>			
Non-current portion of lease liabilities	17,231	88	17,319
<u>Current liabilities</u>			
Trade payables	-	5	5
Other payables	2	-	2
Accrued expenses	483	3	486
Management fee payable	24	-	24
Board remuneration payable	28	28	56
	537	36	573
Current portion of lease liabilities	1,021	28	1,049

The Company has maintained balances with Group Treasury pursuant to the technical services agreement whereby the Company is able to place funds with the Group Treasury and earn an average interest rate of 1.70% p.a. (2020: 2.46% p.a.).

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
For the nine months ended 30 September 2021

BD 000's

4 RELATED PARTY TRANSACTIONS (continued)

Description	Parent/ Group company	Other related parties	Total
For the period ended 30 September 2021 (reviewed)			
Income			
Revenue	1,918	4,693	6,611
Finance income	363	-	363
	2,281	4,693	6,974
Expenses			
Subcontracting charges (including leases)	(1,036)	-	(1,036)
Management and administration fee	(257)	-	(257)
Computer expenses	(165)	-	(165)
Maintenance and repairs	-	(23)	(23)
Board remuneration	(28)	(28)	(56)
Other expenses	(114)	(141)	(255)
	(1,600)	(192)	(1,792)

Lease rental of BD 1,514 thousand to a Group company and BD 24 thousand to other shareholders is accounted in the condensed interim financial information in line with IFRS 16, as right of use assets.

Description	Parent/ Group company	Other related parties	Total
As at 31 December 2020			
Current assets			
<i>Due from related parties</i>			
Trade receivable	478	475	953
Interest receivable	220	-	220
Other receivables	1	-	1
	699	475	1,174
Balances with Group Treasury	29,106	-	29,106
Non-current liability			
<i>Due to related parties</i>			
Non-current portion of lease liabilities	17,595	109	17,704
Current liabilities			
Other payable	15	1	16
Accrued expenses	323	12	335
Management fee payable	25	-	25
	363	13	376
Current portion of lease liabilities	956	27	983

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
For the nine months ended 30 September 2021

BD 000's

4 RELATED PARTY TRANSACTIONS (continued)

Description	Parent/ Group company	Other related parties	Total
For the period ended 30 September 2020 (reviewed)			
Income			
Revenue	2,659	5,636	8,295
Finance income	358	-	358
	3,017	5,636	8,653
Expenses			
Subcontracting charges	(1,018)	-	(1,018)
Management and administration fee	(278)	-	(278)
Computer expenses	(184)	-	(184)
Maintenance and repairs	(2)	(50)	(52)
Board remuneration	(28)	(28)	(56)
Other expenses	(40)	(99)	(139)
	(1,550)	(177)	(1,727)

Lease rental of BD 1,500 thousand to a Group company is accounted for in the condensed interim financial information in line with IFRS 16, as right of use assets.

Other related party transactions for the period ended 30 September

Description	Parent/ Group company		Other related parties		Total	
	2021	2020	2021	2020	2021	2020
Purchase of inventories	-	-	23	49	23	49

Key management personnel

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

	30 September 2021 (reviewed)	30 September 2020 (reviewed)
Salaries and other short-term benefits	689	542
Post-employment benefits	37	24
Board remuneration	56	56
Post-employment benefits payable	32	61

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
For the nine months ended 30 September 2021

BD 000's

5 REVENUE

	For the nine months ended 30 September 2021 (reviewed)	For the nine months ended 30 September 2020 (reviewed)
Container services	12,518	14,733
General cargo services	10,025	12,600
Marine services	6,871	5,538
	29,414	32,871

6 DIRECT OPERATING EXPENSES

	For the nine months ended 30 September 2021 (reviewed)	For the nine months ended 30 September 2020 (reviewed)
Salaries and related costs	3,643	4,015
Subcontracting charges	2,151	2,502
Depreciation	1,743	1,631
Fuel and electricity	902	1,133
Maintenance and repairs	781	958
Operating leases charges	301	138
Operational insurance	118	91
Customs duty and freight charges	52	37
Provision for/(reversal of) impairment of inventories	13	(9)
Other expenses	9	37
	9,713	10,533

7 OTHER OPERATING EXPENSES

	For the nine months ended 30 September 2021 (reviewed)	For the nine months ended 30 September 2020 (reviewed)
Royalty to Government of Kingdom of Bahrain	9,027	8,754
Amortisation of intangible asset	298	294
	9,325	9,048

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
For the nine months ended 30 September 2021

BD 000's

8 GENERAL AND ADMINISTRATIVE EXPENSES

	For the nine months ended 30 September 2021 (reviewed)	For the nine months ended 30 September 2020 (reviewed)
Salaries and related costs	1,784	1,774
Management and administration fee	257	278
Computer expenses	224	220
Security costs	171	165
Repair and accident claims	148	80
Legal and professional charges	114	54
Subcontracting charges	106	81
Office expenses	99	68
COVID-19 related expenses	57	86
Board of Directors fee	56	56
Communication expenses	22	19
Training expenses	19	6
Travel expenses	-	8
Other expenses	91	81
	3,148	2,976

9 SEGMENTAL REPORTING

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

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
For the nine months ended 30 September 2021**BD 000's****10 FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

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

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

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

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

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

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

11 APPROPRIATIONS

At the Annual General Meeting of the Company held on 25 March 2021, final dividend of BD 13,662 thousand was approved for 2020 which has been paid during the period (final dividend of BD 10,161 thousand was approved for 2019 and paid in 2020).

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

12 DERIVATIVES

The Company has entered into foreign currency forward and swap contracts with a bank with nominal value of BD 30,129 thousand (31 December 2020: BD 29,271 thousand) maturing within one year. Fair value loss on derivatives for the period amounted to BD 1 thousand (30 September 2020 gain: BD 20 thousand) and is included under finance expenses in the profit or loss.

13 SEASONALITY

The Company does not have income of seasonal nature.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
For the nine months ended 30 September 2021

BD 000's

14 EARNINGS PER SHARE

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

	30 September 2021 (reviewed)	30 September 2020 (reviewed)
Profit for the period (BD 000's)	6,220	10,159
Weighted average number of shares (000's)	90,000	90,000
Basic and diluted earnings per share (fils)	69	113

15 IMPACT OF COVID 19

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

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

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

Financial impact of COVID-19

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

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

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

Expenses - The Company has incurred additional expenses worth BD 57 thousand related to COVID-19 measures during the period ended 30 September 2021.

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