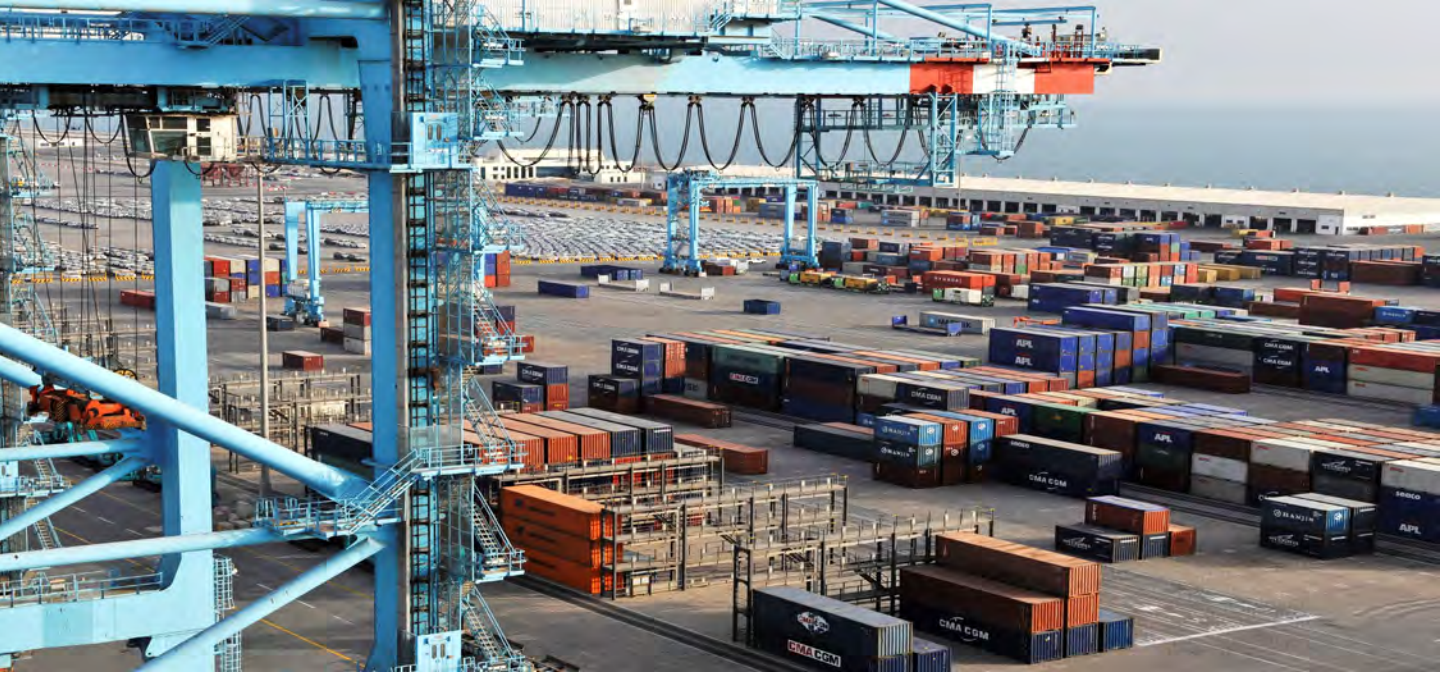




***APM TERMINALS BAHRAIN
Annual General Meeting
30 March 2022***

PARTICULARS	PAGE NUMBER
1. To Approve the minutes of the 15th Annual General Assembly Meeting held on 25 March 2021	3
2. To review and approve the Report of the Board of Directors on the activities of the Company for financial year ended 31 December 2021	9
3. To review the external auditors report on the financial statements for the year ended 31 December 2021	13
4. To review and approve the audited financial statements for the year ended 31 December 2021	19
5. To approve the recommendation of the Board of Directors to allocate the dividends for the financial year ended 31 December 2021	66
6. To approve remuneration of total amount of BD 80,000 to the members of the Board of Directors for the financial year ended 31 December 2021 subject to approval of the Ministry of Industry, Commerce and Tourism.	67
7. To discuss the Corporate Governance Report for the year ended 31 December 2021 in compliance with the requirements of the Central Bank of Bahrain and the Ministry of Industry, Commerce and Tourism.	68
8. To review related party transactions entered by the Company for the financial year ended 31 December 2021 as set out in Note 22 of the financial statements in line with Article 189 of the Commercial Companies Law.	97
9. To discharge the Board of Directors from their liability in respect of management of the Company for the year ended 31 December 2021.	98
10. Election of two Independent Directors and appointment of four directors (3 executive and 1 non-executive directors) to the Board of Directors for the coming three years (i.e. 2022 – 2025).	99
11. Appointment/ reappointment of the external auditors for the financial year ending 31 December 2022 and authorizing the Board of Directors to determine their fees.	104
12. Any other business in accordance with Article 207 of the Commercial Companies Law	105



1. Approve the minutes of the 15th Annual General Assembly Meeting held on 25 March 2021

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

HELD ON THURSDAY, 25th March 2021 AT 10:30 A.M.

The Annual General Meeting (the “Meeting”) was held via video conferencing and attended by the following:

Shareholders:

Shareholder	Proxy	Shares	Shareholding
APM Terminals B.V.	Noora Janahi	57,600,000	64.000%
Yusuf Bin Ahmed Kanoo (Holdings) Co. W.L.L	Ali Abdulmalek	14,400,000	16.000%
Bahrain National Insurance Co. B.S.C (c)	Joe Francis	1,225,800	1.362%
Bahrain National Life Assurance Co. BSC (c)	Joe Francis	498,868	0.554%

Board of Directors of the Company

- Mr. David Skov – Chairman
- Mr. Fawzi Ahmed Kanoo – Vice Chairman
- Mr. Nadhem Saleh Al Saleh – Independent Director
- Mr. Mohammed Al Shroogi – Independent Director
- Mr. Jesper Kjaedegaard – Non-Executive Director

Management of the Company:

- Susan Hunter –Chief Executive Officer
- Farooq Zaheer Zuberi - Chief Financial Officer
- Bharat Mehta - Legal Manager, Corporate Governance Officer, Company Secretary and Investor Relations Officer
- Maureen Bannerman

External Auditors, KPMG Fakhro

- Jaafar Al Qubaiti – Partner, Audit
- Arvind Sharma – Manager, Audit

Ministry of Industry, Commerce and Tourism (MOICT)

- Nada Al Thawadi

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

- Jaber Al Aali - Head of the Market Surveillance Department-

Bahrain Bourse

- Senan al Sherooqi – Listing & Disclosure

Bahrain Clear, Share Registrar

- Hussain Ali Haji - Senior Administrator

Notice having been given to the Shareholders for the Meeting; the Meeting commenced at 10.30 A.M via video conference through Zoom. The Share Registrar confirmed in writing that the Meeting is attended by shareholders representing 81.92% of the share capital of the Company. Accordingly, it was confirmed that the Meeting has the required quorum and therefore the Meeting is in order to transact the business as listed on the Agenda circulated to all the shareholders.

Mr. David Skov was designated Chairman of the Meeting (the “Chairman”).

Welcome Address by the Chairman

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

Mr. Skov delivered a short note on Company’s performance in 2020. Mr. Skov stated that 2020 was an unprecedented year. The COVID-19 pandemic has been a human, health and economic crisis around the globe with many calling it a black swan event. The pandemic posed serious challenges to businesses and governments around the world. For APMT Bahrain the key focus was safety of our staff and ensuring we continue to deliver uninterrupted services to our customers and stakeholders. APMT Bahrain continued to work in close partnership with PMA and other government authorities towards these objectives.

As a result of these efforts, the port was able to handle a sudden sharp surge in volumes which came about due to causeway closure and Project cargo imports. 2020 thus became the highest ever year in terms of revenue and profit for the company.

Overall revenue growth was 13%. Container handling segment grew by 8% while General cargo saw an increase of 27% driven by project cargo volumes for BAPCO modernization project. Marine revenue was flat owing to lower moves in private jetties.

Costs were kept under control with a like for like cost growth (excluding one offs) of 2% only. This was made possible through sustained take cost out programs across the terminal, renegotiating major new contracts at favourable terms, freezing medical insurance costs without reducing any coverage, meeting KPI targets and avoiding penalties and maximising our finance income (interest) through effective cash flow & treasury management. In 2020 we continued to make all the necessary investments in our people and assets. There were major programs carries out for the upkeep of our equipment and facilities as well as continued investment in staff welfare, training and development.

The dividend pay-out in 2020 of 151.8 fils per share is 34% higher than last year.

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

Agenda Item No. 1:

To review and approve the minutes of the 14th Annual General Assembly Meeting of Shareholders held on 26 March 2020.

With due consideration of the Shareholders, it was unanimously RESOLVED that the minutes of the Ordinary Annual General Assembly Meeting of Shareholders held on 26 March 2020 are approved and confirmed in all aspects and be filed in the Company's books and records.

Agenda Item No. 2:

To review and approve the report of the Board of Directors on the activities of the Company for the financial year ended 31 December 2020.

With due consideration of the Shareholders, it was unanimously RESOLVED that the report of the Board of Directors on the Company's activities for the financial year ended 31 December 2020 is hereby approved and confirmed in all aspects.

Agenda Item No. 3:

To review and approve the external auditors report on the Financial Statements for the year ended 31 December 2020.

Mr. Jaffar Al Qubaiti addressed the Independent Auditor's Report for the year ended 31 December 2020 and read the introduction and the external auditor's opinion.

With due consideration of the Shareholders, it was unanimously RESOLVED that the Auditor's report on the financial Statements for the year ended 31 December 2020 is hereby approved and confirmed in all aspects.

Agenda Item No. 4:

To review and approve the Audited Financial Statements for the financial year ended 31 December 2020.

With due consideration of the Shareholders, it was unanimously RESOLVED that the audited Statement of Accounts for the financial year ended 31 December 2020 is hereby approved and confirmed in all aspects.

Agenda Item No. 5:

To approve the recommendation of the Board of Directors to allocate the dividends for the financial year ended 31 December 2020 as follows;

- i. Cash dividend of 151.8 fils per share or 151.8% of the paid-up capital amounting to BD 13.662 million for the financial year ended 31 December 2020.**

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

Event	Date
Cum-Dividend Date (Last day of trading with entitlement to dividends)	28 March 2021

Ex-Dividend Date (First day of trading without entitlement to dividends)	29 March 2021
Record Date (The Day on which all shareholders whose names are on the share register will be entitled to dividends)	30 March 2021
Payment Date (The Day on which the dividends will be paid to the entitled shareholders)	13 April 2021

Shareholders expressed their complete satisfaction with the dividend distribution.

With due consideration of the Shareholders, it was unanimously RESOLVED that the recommendation of the Board of Directors to allocate the dividends for the financial year ended 31 December 2020 as mentioned above is hereby approved and confirmed in all aspects

Agenda Item No. 6:

To approve a proposal for the distribution of remuneration to the members of the Board of Directors for a total amount of BD 74,500 for the financial year ended 31 December 2020, subject to the approval of the Ministry of Industry, Commerce and Tourism.

With due consideration of the Shareholders, it was unanimously RESOLVED that the proposal to distribute remuneration to the members of the Board of Directors for a total amount of BD 74,500 for the financial year 31 December 2020 is hereby approved and confirmed in all aspects.

Agenda Item No. 7:

To discuss and approve the Corporate Governance for 31 December 2020 and comply with the requirements of the Central Bank of Bahrain and the Ministry of Industry, Commerce and Tourism.

With due consideration of the Shareholders, it was unanimously RESOLVED that the Corporate Governance report for 31 December 2020 is hereby approved and confirmed in all aspects.

Agenda Item No. 8:

To review and approve material related party transactions entered by the Company for the financial year ended 31 December 2020 as set out in Note 22 of the Financial Statements in line with Article 189 of the Commercial Companies Law.

With due consideration of the Shareholders, it was unanimously RESOLVED that the material related party transactions entered by the Company for the financial year ended 31 December 2020 as set out in Note 22 of the Financial Statements in line with Article 189 of the Commercial Companies Law is hereby approved and confirmed in all aspects.

Agenda Item No. 9:

To discharge the Members of the Board of Directors from their liability in respect of management of the Company for the year ended 31 December 2020

With due consideration of the Shareholders, it was unanimously RESOLVED that the Board of Directors is fully discharged from any liability in respect of their duties and actions during the year ended 31 December 2020.

Agenda Item No. 10:

Appointment /reappointment of external auditors, for the financial year 2021 and authorizing the Board of Directors to determine their fees.

Mr. Skov thanked KPMG for their satisfactory services and informed the shareholders that given KPMG Fakhro has been the auditor of the company for past 15 years, the Board proposes to change the auditors to PricewaterhouseCoopers (PWC) for the financial year 2021 and authorizing the Board of Directors to determine their fees.

With due consideration of the Shareholders, it was unanimously RESOLVED that the PWC shall be appointed as the external Auditors of APM Terminals Bahrain B.S.C, for the financial year 2021 and to authorise the Board of Directors to determine their fees is hereby approved and confirmed to in all aspects.

Agenda Item No. 11:

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

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

The Chairman declared the Meeting closed at 10:50 AM and it was noted that the quorum had been present throughout.

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

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



Mr. David Skov

Chairman



2. To review and approve the Report of the Board of Directors on the activities of the Company for financial year ended 31 December 2021

On behalf of the Board of Directors, it is our pleasure in presenting the Company's financial statements (pages 9 to 44) for the year ended 31 December 2021.

Financial highlights (BD 000's)

	2021	2020
Revenue	39,017	43,187
Profit for the year	7,984	13,662
Total equity	21,484	27,162
Total assets	56,536	61,961

Director's remuneration

The Board of Directors' remuneration and the executive management expenses for the year are as follows (BD 000's):

Name	Fixed remunerations					Variable remunerations					Long-term service award	Aggregate amount (Does not include expense allowance)	Expenses Allowance
	Remunerations of the chairman and BOD	Total allowance for attending Board and committee meetings	Salaries	Others*	Total	Remunerations of the chairman and BOD	Bonus	Incentive plans	Others**	Total			
First: Independent Directors:													
1- Mohamed Al Shroogi	10	3	-	-	13	-	-	-	-	-	-	-	-
2- Nadhem Saleh Saleh	10	3	-	-	13	-	-	-	-	-	-	-	-
Second: Non-Executive Directors:													
1-Jesper Kjaedegaard	10	4	-	-	14	-	-	-	-	-	-	-	-
Third: Executive Directors:													
1-David Skov	12	3	-	-	15	-	-	-	-	-	-	-	-
2-Fawzi Ahmed Kanoo	10	3	-	-	13	-	-	-	-	-	-	-	-
3-Soren S. Jakobsen	10	2	-	-	12	-	-	-	-	-	-	-	-
Total	62	18	-	-	80	-	-	-	-	-	-	-	-

Note: All amounts must be stated in Bahraini Dinars.

Other remunerations:

* It includes in-kind benefits – specific amount - remuneration for technical, administrative and advisory works (if any).

** It includes the board member's share of the profits - Granted shares (insert the value) (if any).

Executive management	Total paid salaries and allowances	Total paid remuneration (Bonus)	Any other cash/ in kind remuneration for 20XX	Aggregate Amount
Top 6 remunerations for executives, including CEO* and Senior Financial Officer**	809	122	-	931

Note: All amounts must be stated in Bahraini Dinars.

*** The highest authority in the executive management of the company, the name may vary: (CEO, President, General Manager (GM), Managing Director...etc).**

**** The company's highest financial officer (CFO, Finance Director, ...etc)**

DIRECTORS' REPORT
for the year ended 31 December 2021

Representations and audit

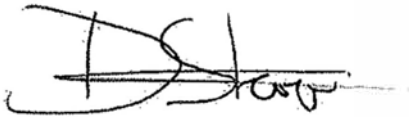
The Company's activities for the year ended 31 December 2021 have been conducted in accordance with the Commercial Companies Law and other relevant statutes of the Kingdom of Bahrain.

There have been no events subsequent to 31 December 2021, which would in any way invalidate the financial statements on pages 9 to 44.

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 7,984 thousands.



David Skov
Chairman



Fawzi Ahmed Kanoo
Vice Chairman

28 February 2022



3. To review the external auditors report on the financial statements for the year ended 31 December 2021



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 2021, 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 2021;
- 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 of 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

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. (continued)

Report on the audit of the financial statements (continued)

Key audit matters

Key audit matters are those matters that, in our professional judgement, 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
------------------	--

Accounting under concession arrangement

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) and note 29.

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. (continued)

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 judgement and maintain professional scepticism 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. (continued)

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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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.

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 2021 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.



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

Report on other legal and regulatory requirements (continued)

B) As required by the Ministry of Industry, Commerce and Tourism 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.

PricewaterhouseCoopers

PricewaterhouseCoopers M.E Limited
Partner's registration number: 255
Manama, Kingdom of Bahrain
28 February 2022



4. To review and approve the audited financial statements for the year ended 31 December 2021.

APM Terminals Bahrain B.S.C.

FINANCIAL STATEMENTS

31 DECEMBER 2021

FINANCIAL STATEMENTS
For the year ended 31 December 2021

CONTENTS	Page
Corporate Information	1
Directors' report	2 - 3
Independent auditors' report to the shareholders	4 - 8
Financial statements	
Statement of financial position	9
Statement of profit or loss and other comprehensive income	10
Statement of changes in equity	11
Statement of cash flows	12
Notes to the financial statements	13 – 44

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
David Skov	<i>Chairman</i>	16 Feb 2018	13 Dec 2018
Fawzi Ahmed Kanoo	<i>Vice-chairman</i>	13 July 2018	13 Dec 2018
Soren Sjostrand Jakobsen	<i>Executive Director</i>	18 Jun 2013	13 Dec 2018
Jesper Kjaedegaard	<i>Non-Executive Director</i>	13 Dec 2018	-
Mohamed Ebrahim Alshroogi	<i>Independent Director</i>	13 Dec 2018	-
Nadhem Saleh Al-Saleh	<i>Independent Director</i>	13 Dec 2018	-

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 Bharat Mehta

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

Bankers HSBC
National Bank of Bahrain
Ahli United Bank

Auditor PricewaterhouseCoopers M.E Limited

DIRECTORS' REPORT
for the year ended 31 December 2021

On behalf of the Board of Directors, it is our pleasure in presenting the Company's financial statements (pages 9 to 44) for the year ended 31 December 2021.

Financial highlights (BD 000's)

	2021	2020
Revenue	39,017	43,187
Profit for the year	7,984	13,662
Total equity	21,484	27,162
Total assets	56,536	61,961

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			
David Skov	12	3	15
Vice-Chairman			
Fawzi Ahmed Kanoo	10	3	13
Executive Director			
Soren Sjostrand Jakobsen	10	2	12
Non-Executive Director			
Jesper Kjaedegaard	10	4	14
Independent Director			
Mohamed Ebrahim Alshroogi	10	3	13
Nadhem Saleh Al-Saleh	10	3	13
Total	62	18	80

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, GM Human Resources, Chief Government and Security Affairs Officer, GM HSE and Transformation, Head of Asset Maintenance	809	122	-	931

DIRECTORS' REPORT
for the year ended 31 December 2021

Representations and audit

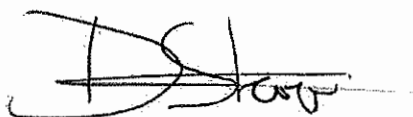
The Company's activities for the year ended 31 December 2021 have been conducted in accordance with the Commercial Companies Law and other relevant statutes of the Kingdom of Bahrain.

There have been no events subsequent to 31 December 2021, which would in any way invalidate the financial statements on pages 9 to 44.

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 7,984 thousands.



David Skov
Chairman



Fawzi Ahmed Kanoo
Vice Chairman

28 February 2022



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 2021, 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 2021;
- 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 of 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

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. (continued)

Report on the audit of the financial statements (continued)

Key audit matters

Key audit matters are those matters that, in our professional judgement, 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

Accounting under concession arrangement

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) and note 29.

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. (continued)

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 judgement and maintain professional scepticism 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. (continued)

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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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.

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 2021 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.



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

Report on other legal and regulatory requirements (continued)

- B) As required by the Ministry of Industry, Commerce and Tourism 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.

PricewaterhouseCoopers

PricewaterhouseCoopers M.E Limited
Partner's registration number: 255
Manama, Kingdom of Bahrain
28 February 2022

STATEMENT OF FINANCIAL POSITION
as at 31 December 2021

BD 000's

	Note	2021	2020 (Restated - Note 29)	1 January 2020 (Restated - Note 29)
ASSETS				
Intangible assets	4	25,639	27,454	29,094
Equipment and vehicles	5	670	700	612
Total non-current assets		26,309	28,154	29,706
Inventories	6	362	344	327
Trade receivables	7	1,550	1,568	1,437
Other receivables and prepayments	8	285	431	508
Due from related parties	22	788	1,174	1,260
Balances with Group Treasury	22	25,512	29,106	21,549
Cash and cash equivalents	9	1,730	1,184	3,109
Total current assets		30,227	33,807	28,190
Total assets		56,536	61,961	57,896
EQUITY AND LIABILITIES				
Equity				
Share capital	10	9,000	9,000	9,000
Statutory reserve	11	4,500	4,500	4,500
Retained earnings		7,984	13,662	10,161
Total equity		21,484	27,162	23,661
Liabilities				
Lease and other financial liabilities	12	24,330	25,276	26,124
Employee leaving indemnities	13	738	680	576
Total non-current liabilities		25,068	25,956	26,700
Trade and other payables	14	8,035	7,245	6,043
Due to related parties	22	514	376	395
Lease and other financial liabilities	12	1,435	1,222	1,097
Total current liabilities		9,984	8,843	7,535
Total liabilities		35,052	34,799	34,235
Total equity and liabilities		56,536	61,961	57,896

The financial statements were approved by the Board of Directors on 28 February 2022 and signed on its behalf by:


David Skov
Chairman


Fawzi Ahmed Kanoo
Vice Chairman

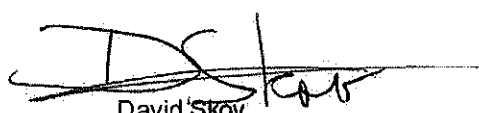
The accompanying notes 1 to 30 are an integral part of these financial statements.


STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 31 December 2021

BD 000's

	Note	2021	2020 (Restated - Note 29)
Revenue	15	39,017	43,187
Direct operating expenses	16	(13,766)	(14,706)
Other direct expenses	17	(11,932)	(10,400)
Gross profit		13,319	18,081
Other operating income		79	73
Gain on disposal of equipment and vehicles		9	1
General and administrative expenses	18	(4,215)	(3,958)
Net impairment reversal/ (losses) on trade receivables		26	(4)
Operating profit		9,218	14,193
Finance income		596	515
Finance expense	19	(1,830)	(1,849)
Net finance costs		(1,234)	(1,334)
Other income	30	-	803
Profit for the year		7,984	13,662
Other comprehensive income		-	-
Total comprehensive income for the year		7,984	13,662
Earnings per share			
Basic and diluted earnings per share (in fils)	20	89	152

These financial statements were approved for issue by the Board of Directors of the Company on 28 February 2022 and signed on its behalf by:


 David Skov
 Chairman


 Fawzi Ahmed Kanoo
 Vice Chairman

The accompanying notes 1 to 30 are an integral part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2021**

BD 000's

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

2020	Share capital	Statutory reserve	Retained earnings	Total
At 1 January	9,000	4,500	10,161	23,661
Total comprehensive income for the year	-	-	13,662	13,662
Transactions with shareholders in their capacity as shareholders				
Dividend for 2019 (Note 21)	-	-	(10,161)	(10,161)
At 31 December	9,000	4,500	13,662	27,162

The accompanying notes 1 to 30 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS
for the year ended 31 December 2021

BD 000's

	Note	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		7,984	13,662
<i>Adjustments for:</i>			
Amortisation	4	2,333	2,353
Depreciation	5	366	217
Finance expense		1,830	1,849
Gain on sale of equipment and vehicles		(9)	(1)
(Reversal of)/allowance for impairment on trade receivables		(26)	4
Provision for/(reversal of) impairment of inventories		12	(29)
Finance income		(484)	(503)
Employee leaving indemnities – charge	13	135	154
<i>Changes in:</i>			
- Inventories		(30)	12
- Trade receivables		44	(135)
- Other receivables and prepayments		175	77
- Due from related parties		215	(34)
- Trade and other payables		761	1205
- Due to related parties		138	(19)
Employee leaving indemnities – paid	13	(77)	(50)
Net cash generated from operating activities		13,367	18,762
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of equipment and vehicles		(188)	(160)
Purchase of intangible assets			
4		(158)	(498)
Proceeds from maturity of placements with Group Treasury		29,693	23,303
Placements with Group Treasury		(25,444)	(30,237)
Proceeds from disposal of equipment and vehicles		9	1
Net cash generated from/ (used in) investing activities		3,912	(7,591)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liabilities and other financial liabilities		(1,241)	(1,110)
Payment of finance expenses		(1,830)	(1,825)
Dividend paid	21	(13,662)	(10,161)
Net cash used in financing activities		(16,733)	(13,096)
Net increase/ (decrease) in cash and cash equivalents during the year		546	(1,925)
Cash and cash equivalents at beginning of the year		1,184	3,109
Cash and cash equivalents at end of the year	9	1,730	1,184

Non-cash activities include additions to right-of-use assets and lease liabilities of BD 508 (2020: BD 215).

The accompanying notes 1 to 30 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 2021 is 31% (2020: 24%) 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 2021.

e) New standards, amendments and interpretations effective from 1 January 2021

New standards issued and applicable for the annual periods starting on or after 1 January 2021 which has been followed by the Company:

- *Amendment to IFRS 16, 'Leases' – Covid-19 related rent concessions*

As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

- *Amendments to IFRS 17 and IFRS 4, 'Insurance contracts' deferral of IFRS 9*

These amendments defer the date of application of IFRS 17 by 2 years to 1 January 2023 and change the fixed date of the temporary exemption in IFRS 4 from applying IFRS 9, Financial instrument until 1 January 2023.

- *Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2*

The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one.

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 2021:

- *Amendments to IAS 1, 'Presentation of financial statements' on classification of liabilities*

These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

- *A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 17 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16*

- Amendments to IFRS 3, 'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
- Amendments to IAS 16, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
- Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making.

2 BASIS OF PREPARATION (continued)**f) New standards issued and not yet applicable or early adopted by the Company for the periods starting on or after 1 January 2021 (continued):**

- *A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 17 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16 (continued)*
- Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments', IAS 41, 'Agriculture' and the Illustrative Examples accompanying IFRS 16, 'Leases'.
- *IFRS 17, 'Insurance contracts'*

This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

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

There are no any other new standards or interpretations published that should be adopted by the Company for the annual periods starting on or after 1 January 2021 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 2021 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 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 profit or loss.

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 (continued)***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 separate 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 2021 or 1 January 2021 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 are reviewed at the date of the financial statement, the estimated useful lives of these assets are also reviewed and any changes to be made on 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 do so each year provided that the total deducted amounts for the reserve do not exceed 50% of the Company's capital. For the purposes of this law. This reserve is not available for distribution to shareholders.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

BD 000's

4 INTANGIBLE ASSETS

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)	-	-
Disposals	-	-	-	-	-	-	-	-	-
At 31 December	9,731	20,601	238	15,244	1,625	822	-	830	49,091
Accumulated amortisation									
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
Disposals	-	-	-	-	-	-	-	-	-
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.

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

BD 000's

4 INTANGIBLE ASSETS (continued)

2020	Assets as per the Concession Agreement							Software and licenses	Total (Restated Note 29)
	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	20,026	221	15,175	1,160	822	-	725	47,860
Remeasurement during the year *	-	215	-	-	-	-	-	-	215
Additions	-	-	17	-	-	-	481	-	498
Transfer	-	-	-	-	444	-	(444)	-	-
Disposals	-	-	-	-	-	-	-	-	-
At 31 December	9,731	20,241	238	15,175	1,604	822	37	725	48,573
Accumulated amortisation									
At 1 January	4,185	1,313	181	10,552	996	818	-	721	18,766
Amortisation	388	1,341	25	500	93	2	-	4	2,353
Disposals	-	-	-	-	-	-	-	-	-
At 31 December	4,573	2,654	206	11,052	1,089	820	-	725	21,119
Net book value 31 December	5,158	17,587	32	4,123	515	2	37	-	27,454

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

BD 000's

5 EQUIPMENT AND VEHICLES

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

BD 000's

5 EQUIPMENT AND VEHICLES (continued)

2020

	Leased Forklifts	Computer Equipment	Cranes & Transtainers	Furniture & Fixtures	Machinery & Equipment	Vehicles	Tools	Leasehold Improvement	Capital work-in progress	Total (Restated Note 29)
Cost										
Balance as at 1 January	-	843	2,174	88	1,515	761	37	60	83	5,561
Additions	145	35	-	53	22	-	4	-	46	305
Transfer	-	129	-	-	-	-	-	-	(129)	-
Disposals	-	(44)	(11)	-	(67)	(18)	-	(30)	-	(170)
At 31 December	145	963	2,163	141	1,470	743	41	30	-	5,696
Accumulated depreciation										
At 1 January	-	756	2,114	84	1,256	647	32	60	-	4,949
Depreciation	12	68	24	3	80	27	3	-	-	217
Disposals	-	(44)	(11)	-	(67)	(18)	-	(30)	-	(170)
At 31 December	12	780	2,127	87	1,269	656	35	30	-	4,996
Net book value 31 December	133	183	36	54	201	87	6	-	-	700

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

BD 000's

6 INVENTORIES

	2021	2020
At 1 January	807	819
Purchased during the year	1,199	1,241
Consumed during the year	(1,169)	(1,253)
	837	807
Less: Provision for obsolescence	(475)	(463)
At 31 December	362	344

Movement in provision for obsolescence:

	2021	2020
At 1 January	463	492
Charge / (reversal) for the year, net	12	(29)
At 31 December	475	463

7 TRADE RECEIVABLES

	2021	2020
Trade receivables	1,968	2,012
Less: Provision for loss allowance	(418)	(444)
	1,550	1,568

Movement in provision for loss allowance:

	2021	2020
At 1 January	444	440
(Reversal) / charge for the year, net	(26)	4
At 31 December	418	444

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

	2021	2020
Prepayments	211	295
Fair value of derivatives (refer note 28)	12	41
Other receivables	62	95
	285	431

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

BD 000's

9 CASH AND CASH EQUIVALENTS

	Ratings	2021	2020
Balances with banks	A+ to B+	1,730	1,184

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

	2021	2020
90,000,000 shares of 100 fils each (2020: 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%	14,817	740	16.5%
1 % up to less than 5%	3,183	2	3.5%
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	744	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.

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 16,549 (2020: BD 17,587) (note 4). Right of use assets include leased forklifts and leased flats amounting to BD 178 (2020: BD 133) (note 5).

ii) Lease and other financial liabilities

	2021	2020
Marine service equipment (Financial liability)	18,001	18,552
Service concession rights (Financial liability)	7,572	7,810
Lease of forklifts (Lease liability)	117	136
Lease of flats (Lease liability)	75	-
	25,765	26,498

	2021	2020
Non-current portion of lease and other financial liability	24,330	25,276
Current portion of lease and other financial liability	1,435	1,222
	25,765	26,498

b) Amounts recognised in the profit or loss:

	2021	2020
Amortization charge on intangible assets	1,398	1,341
Depreciation charge on right-of-use assets	103	12
Interest expense on financial liabilities (included in finance expense note 19)	1,770	1,791
Interest expense on lease liabilities (included in finance expense note 19)	9	2
Expense relating to short-term leases	71	134
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	1	29

c) The total cash outflow for leases in 2021 was BD 3,020 (2020: BD 2,879).

13 EMPLOYEES LEAVING INDEMNITIES

Employee benefits related to salaries and related costs have been disclosed in notes 16 and 17. 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:

	2021	2020
At 1 January	680	576
Charge for the year	135	154
Paid during the year	(77)	(50)
At 31 December	738	680

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

BD 000's

14 TRADE AND OTHER PAYABLES

	2021	2020
Royalty payable to the Government of Bahrain	4,190	3,256
Trade payables	539	554
Advances from customers	248	491
Accrued expenses	2,378	2,394
Provisions	680	550
	8,035	7,245

15 REVENUE

	2021	2020
Container services	16,661	19,139
General cargo services	13,082	16,629
Marine services	9,274	7,419
	39,017	43,187

Revenue is generated only in the Kingdom of Bahrain.

16 DIRECT OPERATING EXPENSES

	2021	2020
Salaries and related costs	4,964	5,591
Subcontracting charges	2,889	3,287
Amortization (Note 4)	2,333	2,353
Maintenance and repairs	1,331	1,446
Fuel and electricity	1,207	1,448
Equipment hiring charges	422	186
Depreciation (Note 5)	366	217
Operational insurance	155	122
Customs duty and freight charges	68	50
Charge for / (reversal of) provision on inventories	12	(29)
Other expenses	19	35
	13,766	14,706

17 OTHER DIRECT EXPENSES

	2021	2020
Royalty to Government of Bahrain	11,932	10,400

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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

BD 000's

18 GENERAL AND ADMINISTRATIVE EXPENSES

	2021	2020
Salaries and related costs	2,442	2,315
Management and administration fee	343	361
Computer expenses	315	304
Security costs	219	239
Subcontracting charges	147	122
Legal and professional charges	146	74
Office expenses	111	108
Repair and accident claims	101	96
Board of Directors' fee	80	75
Covid19 spend	78	114
Training expenses	43	9
Communication expenses	30	27
Travel expenses	-	7
Other expenses	160	107
	4,215	3,958

19 FINANCE EXPENSE

	2021	2020
Lease interest expense	1,779	1,793
Bank charges	32	37
Foreign exchange loss, net	19	19
	1,830	1,849

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:

	2021	2020
Profit for the year (BD 000's)	7,984	13,662
Weighted average number of shares (000's)	90,000	90,000
Basic and diluted earnings per share (fils)	89	152

21 APPROPRIATIONS

The Board of Directors have proposed the following appropriations for the year 2021:

	2021	2020
Cash dividend proposed	7,984	13,662

At the Annual General Meeting of the shareholders held on 25 March 2021, the shareholders approved a cash dividend of BD 13,662 for the year ended 31 December 2020.

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 2021				
<u>Current Assets</u>				
<i>Due from related parties</i>				
Trade receivable	228	-	455	683
Interest receivable on deposits	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	17,045
<u>Current Liabilities</u>				
Trade payables	-	-	6	6
Other payable	-	171	-	171
Accrued expenses	4	301	-	305
Management fee payable	32	-	-	32
	36	472	6	514
Current portion of financial liabilities	-	1,036	28	1,064

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 1.23% p.a. (2020: 2.46% p.a.)

Description	Parent company	Group company	Entities which shareholders and directors have interest in	Total
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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

BD 000's

22 RELATED PARTY TRANSACTIONS (continued)

A cash outflow of BD 2,037 (2020: BD 2,000) related to lease rental payments were made to the Group company and BD 32 (2020: BD 11) to other shareholders during the year.

Description	Parent company	Group company	Entities which shareholders and directors have interest in	Total
As at 31 December 2020				
<u>Assets</u>				
<i>Due from related parties</i>				
Trade receivables	478	-	475	953
Interest receivable	220	-	-	220
Other receivables	-	1	-	1
	698	1	475	1,174
Balances with Group Treasury	29,106	-	-	29,106
<u>Non-Current Liabilities</u>				
<i>Due to related parties</i>				
Non-current portion of financial liabilities	-	17,595	109	17,704
<u>Current Liabilities</u>				
Other payables	15	-	1	16
Accrued expenses	5	318	12	335
Management fee payable	25	-	-	25
	45	318	13	376
Current portion of financial liabilities	-	956	27	983
For the year ended 31 December 2020				
<u>Income</u>				
Revenue	3,391	-	7,246	10,637
Finance income	484	-	-	484
	3,875	-	7,246	11,121
<u>Expenses</u>				
Subcontracting charges	-	3,381	-	3,381
Management and administration fee	361	-	-	361
Computer expenses	232	-	-	232
Maintenance and repairs	-	2	57	59
Board Remuneration	37	-	38	75
Other expenses	44	15	106	165

Other related party transactions for the year ended 31 December

Description	Parent/ Group company		Entities which shareholders and directors have interest in		Total	
	2021	2020	2021	2020	2021	2020
Purchase of inventories	-	-	72	56	72	56

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:

	2021	2020
Salaries and other short-term benefits	931	735
Post-employment benefits for the year	24	43
Board remuneration and sitting fees for the year	80	75
Post-employment benefits payable	58	63

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 counter party 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 good financial position.

An impairment analysis is performed at each reporting date using 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, Ahli United Bank and the National Bank of Bahrain.

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:

	2021	2020
Balances with bank	1,730	1,184
Trade receivables	1,550	1,568
Other receivables	62	95
Due from related parties	788	1,174
Balances with Group Treasury	25,512	29,106
	29,642	33,127

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

BD 000's

24 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)*(ii) Impairment Losses*

The aging of trade receivables at the reporting date was:

	2021			2020		
	Gross	Weighted Average Loss Rate	Loss Allowance	Gross	Weighted Average Loss Rate	Loss Allowance
Current (not past due)	1,211	1%	8	1,176	1%	7
Past due:						
0-90 days	238	1%	2	341	1%	3
91-180 days	67	10%	7	29	10%	3
181-270 days	43	30%	13	29	24%	7
271-365 days	41	49%	20	19	32%	6
Over 365 days	368	100%	368	418	100%	418
	1,968	21%	418	2,012	22%	444

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 2021 and 2020, 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
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
2020						
Trade and other payables	6,204	6,204	6,204	-	-	-
Due to related parties	376	376	376	-	-	-
Lease and other financial liabilities	26,498	39,847	1,897	1,031	4,966	31,953
	33,078	46,427	8,477	1,031	4,966	31,953

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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

BD 000's

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 2021 and 2020, 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 at 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 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

	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Financial liabilities at amortised cost	Total carrying value
31 December 2020				
Trade receivables	1,568	-	-	1,568
Other receivables	95	41	-	136
Due from related parties	1,174	-	-	1,174
Balances with Group Treasury	29,106	-	-	29,106
Cash and cash equivalents	1,184	-	-	1,184
	33,127	41	-	33,168
Trade and other payables	-	-	7,245	7,245
Due to related parties	-	-	376	376
Lease and other financial liabilities	-	-	26,498	26,498
	-	-	34,119	34,119

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

	2021	2020
Capital commitments	2	97
Contingent liabilities	10	10

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

BD 000's

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 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

	Liabilities	Equity			Total
	Lease and other financial liability	Share capital	Statutory reserve	Retained earnings	
Balance at 1 January 2020	27,221	9,000	4,500	10,161	50,882
Remeasurement of IFRS 16	215	-	-	-	215
<i>Changes from financing cash flows</i>					
Lease and other financial liability	(1,110)	-	-	-	(1,110)
Finance expense	(1,769)	-	-	-	(1,769)
Dividends paid	-	-	-	(10,161)	(10,161)
Total changes from financing cash flows	(2,879)	-	-	(10,161)	(13,040)
Liability-related changes	1,941	-	-	-	1,941
Equity-related changes	-	-	-	13,662	13,662
Balance at 31 December 2020	26,498	9,000	4,500	13,662	53,660

28 DERIVATIVES

The Company has entered into foreign currency forward and swap contracts with a bank with nominal value of BD 25,449 (2020: BD 29,271) maturing within one year. The fair value as at the year end amounted to BD 12 (2020: BD 41) and is included under other assets.

29 RECLASSIFICATION OF CORRESPONDING AMOUNTS

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

- a. Reclassification of Equipment purchased under the concession agreement:** Certain items of equipment purchased by the Company as part of the service concession agreement were incorrectly classified under Equipment and Vehicles in the statement of financial position in prior years. Management has now concluded that the more appropriate treatment, under the provisions of IFRIC 12, would be to classify this equipment as intangible assets as they are a part of the concession arrangements. Management has therefore restated the corresponding amounts to reflect the appropriate accounting treatment as summarised below.

Discrete effect on financial statement line items in the statement of financial position – 31 December 2020 and 2019

	31 December 2020 (Previously reported)	Adjustments	31 December 2020 (Restated)	31 December 2019 (Previously reported)	Adjustments	31 December 2019 (Restated)
Intangible assets	5,158	22,296	27,454	5,550	23,544	29,094
Equipment and vehicles	22,996	(22,296)	700	24,156	(23,544)	612
Total non-current assets	28,154	-	28,154	29,706	-	29,706
Total current assets	33,807	-	33,807	28,190	-	28,190
Total assets	61,961	-	61,961	57,896	-	57,896
Total equity	27,162	-	27,162	23,661	-	23,661

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

- b. Reclassification of certain items in the statement of profit or loss and other comprehensive income:** the management have reclassified i) in accordance with the nature of the item, royalty expense to above the gross profit line (2020: BD 10,400) ii) in line with the requirements under IFRS 9, separate presentation of "Net impairment losses on trade receivables" on the face of the statement of profit or loss and other comprehensive income (BD 4) and iii) certain expenses based on its nature between general and administrative expenses, other operating expenses and direct operating expenses (BD 388). Management has therefore restated the corresponding amounts to reflect the appropriate classification as summarised below.

Discrete effect on financial statement line items in the statement of profit or loss and other comprehensive income – 31 December 2020

	31 December 2020 (Previously reported)	Adjustments	31 December 2020 (Restated)
Direct operating expenses	(14,385)	(321)	(14,706)
Other direct expenses	-	(10,400)	(10,400)
Gross profit	28,802	(10,721)	18,081
General and administrative expenses	(3,891)	(67)	(3,958)
Net impairment losses on trade receivables	-	(4)	(4)
Other operating expenses	(10,792)	10,792	-
Operating profit	14,193	-	14,193
Profit for the year	13,662	-	13,662
Total comprehensive income for the year	13,662	-	13,662

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

30 IMPACT OF COVID 19

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

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

During 2020 COVID-19 related government grants of BD 803 were received from the Government of Kingdom of Bahrain, for the reimbursement of salaries of national employees and waiver of Electricity and Water utility bills from April 2020 to June 2020. This amount is recognized as other income in the profit or loss (2021: Nil).

In preparing the financial statements, 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.



5. To approve the recommendation of the Board of Directors to allocate the dividends for the financial year ended 31 December 2021 as follows:
 - i. Cash dividend of 0.0887 fils per share or 88.71%, amounting to total dividend payment of BD 7.984 million for the fiscal year ended 31 December 2021.

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

Event	Date
Cum-Dividend Date (Last day of trading with entitlement to dividends)	31 March 2022
Ex-Dividend Date (First day of trading without entitlement to dividends)	3 April 2022
Record Date (The Day on which all shareholders whose names are on the share register will be entitled to dividends)	4 April 2022
Payment Date (The Day on which the dividends will be paid to the entitled shareholders)	18 April 2022



6. To approve remuneration of total amount of BD 80,000 to the members of the Board of Directors for the financial year ended 31 December 2021 subject to approval of the Ministry of Industry, Commerce and Tourism.
- 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
- BHD 250 for each Board meeting attended through video or audio conferencing or through remote participation
- Sitting fee of BHD 250 per committee meeting

Director Name	Fixed Fee	Sitting Fee
David Skov	12,000.00	3,250.00
Soren S. Jakobsen	10,000.00	2,750.00
Fawzi Kanoo	10,000.00	1,750.00
Jesper Kjaedegaard	10,000.00	3,750.00
Mohamed Ebrahim Juma Alshroogi	10,000.00	3,250.00
Nadhem Saleh Al Saleh	10,000.00	3,250.00
Total	62,000.00	18,000.00



7. To discuss the Corporate Governance Report for the year ended 31 December 2021 in compliance with the requirements of the Central Bank of Bahrain and the Ministry of Industry, Commerce and Tourism.

Corporate Governance Report 2021





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



CONTENTS

APM Terminals Bahrain at a Glance	04
Corporate Governance Report	06
Corporate Social Responsibility	25



APM TERMINALS BAHRAIN AT A GLANCE

APM Terminals Bahrain B.S.C., the operator of the state-of-the-art Khalifa Bin Salman Port (KBSP), is a public listed company incorporated in the Kingdom of Bahrain.

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.

Our 76 terminals around the world are part of our international network, which APM Terminals maintains on its own or with another operating partner. This means that we can meet the demand of 250 marine vessels per day and a total of 40 million units annually.

Khalifa Bin Salman Port (“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.

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 – 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 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 transhipped

General Cargo – Consists typically of commodity goods bulk or break-bulk including livestock, steel, sugar, construction materials and RO-RO, passengers etc.

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.

CORE PURPOSE

APM Terminals Bahrain B.S.C. is a company established for managing and operating the public port of Kingdom of Bahrain in a safe, efficient, customer minded and profitable manner and to be known and recognized as such.

Our Why



"Caring and Creating possibilities for everyone by lifting Global trade "

The What: Our Vision Statement



"Khalifa Bin Salman port to be the most valued and largest single contributor to Bahrain's economy"

The How: Our Mission Statement



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

In line with APM Terminals' group philosophy of "Lifting global trade", and the Maersk Group's vision "to become the global integrator of container logistics aiming to connect and simplify our customers' supply chain", the Company strives to provide the right infrastructure and expertise to realise this vision by focusing on the following four core areas:

- ◆ **Services** – KBSP is designed to provide multiport facilities to users in the Northern Gulf. Customers include shipping lines, import agencies, export agencies, private jetties, military beneficial cargo owners and traders. Services are provided with world class productivity, excellent infrastructure, operational scalability and flexibility in the range of services provided to customers. The Company strives to constantly improve the quality and range of services provided to customers. The Company actively collaborates with the Ports and Maritime Affairs ("PMA") and the Economic Development Board of Bahrain to facilitate new investments into Bahrain, attracted by the capabilities of the KBSP's facilities and Company's service offering;
- ◆ **Customers** – The Company strives to continuously enhance its customers' experience by providing high levels of (1) products and services, (2) operational performance, (3) personal contact points and (4) customer responsiveness. The Company has put in place a dedicated customer services team to address customer requirements and periodically survey customer satisfaction. Towards this goal, the Company has implemented the ISO 9001:2015 quality assurance system throughout the organisation;
- ◆ **Sustainability** – The Company aims to provide the safest possible environment for the people and goods within its facility with a minimum adverse impact to the environment; and
- ◆ **Employees** – The Company actively invests in hiring, training and developing the best talent in order to ensure that employees are provided due platform to develop their skills.

CORPORATE GOVERNANCE REPORT

COMMITMENT TO CORPORATE GOVERNANCE PRINCIPLES

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/elected Board of Directors (“Board”) including non-executive and independent directors and has 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 issued by the Ministry of Industry, Commerce and Tourism.

SHAREHOLDER’S INFORMATION

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

DISTRIBUTION OF SHAREHOLDING BY NATIONALITY AS OF 31 DECEMBER 2021

Nationality	No. of Shareholders	No. of Shares	Shareholding %
Bahrain	646	30,195,611	33.55
Netherlands	1	57,600,000	64.00
Saudi Arabia	12	582,928	00.65
Oman	3	485,374	00.54
Kuwait	4	375,197	00.42
UAE	2	377,686	00.42
Others	75	383,204	00.43
Total	743	90,000,000	100.00

OWNERSHIP ACCORDING TO PERCENTAGE/ NO. OF SHARES AS OF 31 DECEMBER 2021

Shareholding (share)	No. of Shareholders	No. of Shares	Shareholding %
Less than 1%	739	14,834,034	16.48
1 % up to less than 5%	2	3,165,966	3.52
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	743	90,000,000	100.00

Shareholding (share)	No. of shareholders	No. of shares	Shareholding %
< 50,000	680	5,097,298	5.67
50,000 to 500,000	58	8,876,097	9.86
Greater than 500,000 to 5,000,000	3	4,026,605	4.47
>5,000,000	2	72,000,000	80.00
Total	743	90,000,000	100.000

MAJOR SHAREHOLDERS(S) (5% AND ABOVE) AS OF 31 DECEMBER 2021

Shareholder's Name	Ultimate Beneficiary	Shareholdings	% 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.

BOARD OF DIRECTORS

COMPOSITION OF THE BOARD

The Board comprises of six directors as per the below composition:

Board Member	Type	Position	Term
David Skov	Executive Director	◆ Chairman of the Board	16 Feb 2018 to 12 Dec 2018 13 Dec 2018 to 27 Mar 2022
Fawzi Ahmed Kanoo	Executive Director	◆ Vice Chairman of the Board	20 May 2006 to 18 Jun 2012 31 Jul 2018 to 12 Dec 2018 13 Dec 2018 to 27 Mar 2022
Soren Sjostrand Jakobsen	Executive Director	◆ Member of the Board ◆ Member of ARCC	18 Jun 2013 to 12 Dec 2018 13 Dec 2018 to 27 Mar 2022
Jesper Kjaedegaard	Non-Executive Director	◆ Member of the Board ◆ Member of NRGCC	13 Dec 2018 to 27 Mar 2022
Mohamed Bin Ebrahim Juma Alshroogi	Independent Director	◆ Member of the Board ◆ Member of ARCC ◆ Chairman of NRGCC	13 Dec 2018 to 27 Mar 2022
Nadhem Saleh Al-Saleh	Independent Director	◆ Member of the Board ◆ Chairman of ARCC ◆ Member of NRGCC	13 Dec 2018 to 27 Mar 2022



David Skov
Chairman

- ◆ Mr. Skov has been appointed as CEO of Maersk Training
- ◆ Mr. Skov has been with the A.P. Moller-Maersk Group for 26 years and has a very strong and extensive background in the shipping industry
- ◆ Prior to being appointed as the Head of Terminals for Africa and Middle East in January 2017, Mr. Skov has held various positions of importance within the Maersk Group
- ◆ Mr. Skov serves as a board member in a number of APM Terminals entities
- ◆ He has completed a Master's in Business Administration at the Warwick Business School in the United Kingdom and has degrees in International Business as well as Organisation and Leadership



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 South West Texas State University



Soren Sjostrand Jakobsen
Executive Director

- ◆ Mr. Jakobsen has been with the Maersk/APM Terminals group for more than 41 years and has held various positions of importance within the Maersk Group
- ◆ He is responsible for the Global Ports Portfolio
- ◆ He serves as a board member in a number of JV entities of APM Terminals in Asia, Middle East and Africa
- ◆ Mr. Jakobsen has bachelor's degree in shipping and business with various management programs including at IMD and INSEAD



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, the Harvard Management Executive Program



Nadhem Saleh Al Saleh
Independent Director

- ◆ Mr. AlSaleh served at the University of Bahrainis 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.; Member of Board of Trustee of Kanoo Award for Creativity & Excellence
- ◆ Mr. 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

RESPONSIBILITIES AND DUTIES OF BOARD MEMBERS

The Board provides governance, guidance, insight and overall leadership to the Company and owes fiduciary duty of care and loyalty to the Company and its Shareholders. The Board is responsible for establishing controls and overseeing the actions of the executive management, development of and decision on building a robust business strategy and long-term profitability, while safeguarding the interests of the Shareholders. The Board is a sparring partner for the executive management and must be prepared to question and scrutinize the way the Company is managed, present alternative views and have the ability to act in the face of obvious wrong doings. The Board must continuously ensure that its composition and way of working adequately addresses and complements the day to day working and operations of the Company.

The Board must review the quality and integrity of 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; authority levels; policies; appointment of certain officers, preparation of financial statements in accordance with international financial reporting standards, of the review of financial statements; financing and borrowing activities; and reviewing the adequacy and integrity of internal systems, regulatory and control framework.

ELECTION AND TERMINATION OF DIRECTORS

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

The term of the current Board is for 3 years, commencing from 13 December 2018, 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 and entitlement to reimbursement of expenses 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, its internal, external auditors and legal counsel.

DIRECTORS REMUNERATION POLICY

The Board's remuneration is governed by provisions of the Commercial Companies Law 2001 and the CBB rules. The Board's remuneration and remuneration policy requires approval by the Shareholders at the ordinary general meeting. The Board's 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
- ◆ 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/costs (taxi, visa etc) 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/costs (taxi, visa etc) for all travelling Board members. Class of air travel and accommodation will be in accordance with the Company's travel policy (economy class for less than 6 hours travel)

DIRECTOR'S REMUNERATION

In accordance with the Board remuneration policy, total of BHD 80,000 for the year 2021 was paid to the Board of Directors as remuneration for their services as follows:

- ◆ BHD 62,000 as fixed fee
- ◆ BHD 18,000 as sitting fee

Director Name	Fixed Fee	Sitting Fee
David Skov	12,000.00	3,250.00
Soren S. Jakobsen	10,000.00	2,750.00
Fawzi Kanoo	10,000.00	1,750.00
Jesper Kjaedegaard	10,000.00	3,750.00
Mohamed Ebrahim Juma Alshroogi	10,000.00	3,250.00
Nadhem Saleh Al Saleh	10,000.00	3,250.00
Total	62,000.00	18,000.00

BOARD COMMITTEES

In compliance with applicable laws, the Board has established Audit, Risk and Compliance Committee ("**ARCC**") and 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 ("**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.

I. Functions of ARCC

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

- ◆ Review the quality and integrity of Company's accounting and financial reporting practices
- ◆ Review the integrity of Company's financial controls, internal controls and financial statements
- ◆ Review and monitor 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 External Auditor
- ◆ Recommend appointment of internal auditor; including the approval of internal audit policies, plans and reports made thereof, in compliance with such policies and procedures
- ◆ 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; and
- ◆ Recommend and table discussion on management letter to be provided to the External Auditor

II. 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

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.

I. 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 etc.
- ◆ 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

II. Members of the 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

Directors Attendance at Board and Committee Meetings

Board Meeting	25 Feb	6 May	5 Aug *	9 Nov
David Skov	✓	✓	✓	✓
Fawzi Ahmed Kanoo	✓	✓	✓	✓
Soren Sjostrand Jakobsen	✓ *	✓ *	✓	✓
Jesper Kjaedegaard	✓	✓	✓	✓
Mohamed Bin Ebrahim Juma Alshroogi	✓	✓	✓	✓
Nadhem Saleh Al Saleh	✓	✓	✓	✓

ARCC Meeting	25 Feb	6 May	5 Aug *	9 Nov
Soren Sjostrand Jakobsen	✓ *	✓ *	✓	✓
Mohamed Bin Ebrahim Juma Alshroogi	✓	✓	✓	✓
Nadhem Saleh Al Saleh	✓	✓	✓	✓

NRGC Meeting	25 Feb			9 Nov
Jesper Kjaedegaard	✓			✓
Mohamed Bin Ebrahim Juma Alshroogi	✓			✓
Nadhem Saleh Al Saleh	✓			✓

*Attended via conference

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 2021 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. This enables to determine 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.





Maureen Bannerman
Chief Executive Officer (CEO), since 2021

- ◆ Maureen Bannerman joined APM Terminals as Managing Director in March 2021
- ◆ Maureen 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
- ◆ Maureen 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), since 2018

- ◆ 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), since 2015

- ◆ Isa Al-Qetami retired in 2014 as a Colonel with the Bahrain Defence Force/Bahrain Royal Air Force as Aircraft Engineer. He has over 25 years of leadership, management and projects experience gained at the highest level at Bahrain Defence Force.
- ◆ Isa was promoted to Chief Government and Security Affairs Officer in 2021.
- ◆ Isa 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)



Abdelrahman Elshamy
Chief Operating Officer, since 2020

- ◆ Abdelrahman has an overall international experience of 16 years in ports and logistics industry
- ◆ Abdelrahman completed His bachelor's degree in law from University Alexandria, Egypt
- ◆ Abdelrahman is a Certified Lean and Six Sigma Black Belt from Accenture, Netherlands, Certified TPM Facilitator from TPM Club India, Certified Lean Trainer from APM HQ in the Hague, Netherlands, Certified Leader of Leaders, Maersk Leadership Center, Rolighed, Denmark



Richard G.C.Smith
Chief Commercial Officer (CCO), since 2022

- ◆ Richard 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, since 2019

- ◆ Mrs. Abdulla previously worked as the Relations & Personal Manager for Nass Contracting Bahrain for over 12 years and has extensive experience within the human resources field
- ◆ Mrs. Abdulla worked primarily within the Construction industry. She served many of Bahrain's largest organizations and contributed in the development of workers welfare standards and represented the industry with ILO and BCCI
- ◆ Mrs. Abdulla is a BSc. Degree holder in International Studies, Certified Strategy, and business Planning professional from the KPI institute
- ◆ She is a full member at Bahrain society for training & Development
- ◆ Mrs. Abdulla is also a John Maxwell's Coach, Speaker & Trainer



Karl Gnonlonfin
Head of HSE and Transformation, since 2021

- ◆ Karl has been part of APM Terminals since 2005 and joined APM Terminal Bahrain in 2021.
- ◆ He holds 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.
- ◆ Karl 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, since 2019

- ◆ 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's main focus in Bahrain will be on the local maintenance management of the Bahrain terminal assets with his experience also being utilized in the AME region
- ◆ He has a master's degree in Asset Integrity Management

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 executive management for the year 2021, including salaries, benefits, allowances, increases, etc. is ~BHD 931,000.

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 adopts a global savings plan, which applies to certain of the Company's executive management whereby both the employer and the employee make contributions to an international savings plan provided by Zurich International. The Company does not currently have any share ownership or options 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, which directly reports to the Board of Directors.

To monitor the compliance with the applicable laws and Corporate Governance Report is submitted by the Corporate Governance Officer (Compliance Officer) annually to the NRGCC.

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

Name	Qualification	Contact Details
Bharat Kumar Mehta	B.B.A.LL.B. (Corp. Law Hons.) with 12 years PQE acquired in the UK, GCC & India	1736 5512

EXTERNAL AUDITORS

KPMG Fakhro ("KPMG") has been the external auditor of the Company since inception until 2021 and had provided satisfactory services to the Company.

Given KPMG has been auditor for a long time, for good governance purposes, the Company, post shareholders' approval appointed Pricewaterhouse Coopers Middle East Limited (PwC) for the Financial Year 2022.

Pricewaterhouse Coopers Middle East Limited (PwC) have been appointed as new external auditors in 2021. PwC has 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	One year
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	One year
Audit and related services fee for the FY year 2021 (BHD)	23,700
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 2021, which was approved by ARCC. Internal Auditor conducted audits in accordance with the approved audit plan throughout the year and submitted reports to ARCC for review, approval and relevant actions.

CORPORATE COMMUNICATIONS

Company conducts all communications with its stakeholders in a professional, honest, transparent, understandable, accurate and timely manner. Main communications channels include an annual report, Company website, and regular regulatory announcements in the appropriate local media.

RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST

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

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

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

The Company has entered into the following related party transactions in the financial year 2021.

Entity Name	Expenses (BHD'000)	Deposits (BHD' 000)	Revenue (BHD'000)	Justification
Al Manhal Water Factory	1.613			❖ Lowest bidder among all qualified suppliers. Also, reliable delivery and quality
Bahrain INTL Cargo Services			21.695	❖ 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
APL (Bahrain) W.L.L.			517.366	❖ Services provided as business as usual and governed by standard terms
BASREC				❖ Only vendor in Bahrain approved to do container repair
Maersk Line A/S	2.940		569.117	❖ Services provided as business as usual and governed by standard terms ❖ FTE outsourcing to assist in reporting
Yousuf Bin A. Kanoo	14.892		299.341	❖ 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 104k
Kanoo Travel				❖ Worldwide AMEX is our travel partner. Kanoo Travels is local partner of AMEX
AXA Insurance	2.411			❖ Competitive pricing and good service for various insurances for APMT
Svitzer Bahrain (S.P.C) (BH005U)	875.888			❖ Marine services obtained pursuant to sub concession agreement. The lease has been capitalized under IFRS 16 at a net book value of BHD 16.549 Million

APM Terminals MedPort Tangier S.A. (MA014E)				❖ We had Procured KALMAR PART as excess parts were available at APMT Tangier and we had requirement at our terminal. We got at lesser price with huge discounts
APM Terminals AMI Management DMCEST (AE006L)	0.00			❖ Board of director expenses
APMT Management B.V. (NL030E)	82.684			❖ Services provided pursuant to Technical Service Agreement: mainly IT related services.
APM Terminals B.V. (NL100U)	86.693			❖ Services provided pursuant to Technical Service Agreement: mainly management fees
Maersk Training (DK033D)	8.704			❖ ConQuip License Programme annual fee
A.P. Møller - Mærsk A/S (DK186U)		25,561.00		❖ Interest earned on excess cash deposited with group
APM Terminals Crane & Engineering Services Limited				❖ Selected to do Cranes (QC and RTG) structural inspection job. This job is highly specialized. To ensure safety of cranes and approved inspection standard is followed across all APM Terminals, global team has mandated to use APMT CES. The inspection is still in progress at year end.
Hapag-Lloyd Bahrain Co. W.L.L.			459.224	❖ Services provided as business as usual and governed by standard terms

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.). David Skov, Soren Sjostrand Jakobsen and Jesper Kjaedegaard being appointed by APM Terminals B.V., did not participate in the voting of the resolution. The Company, as of 31 December 2021, has deposited ~BHD 25.51M 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.

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. 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 2021 faced certain principal risks and uncertainties which includes the following:

KEY PERFORMANCE INDICATORS (KPIs)

The Company is required by clause 13 of the Concession 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). 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.

If 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 for the rights granted by the Government to the Company under the Concession) set out in the Concession will be increased by an additional 1% above the level set out in the Concession for such fourth year failure and by a further 1% for each further year’s failure thereafter. Such additional charges will continue until 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 year 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.

Failure to meet KPIs for a period of 5 consecutive years would also constitute the Company’s event of default under clause 33.1 of the Concession which may lead to a right of termination of the Concession on the part of the Government should it chose to do so.

TRANSHIPMENT TARGET

One of the requirements of the Concession is that the Company must meet certain annual transshipment volumes. According to the Concession, 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 the Concession relevant 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 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. However, the Ministry of Transportation and Telecommunication issued a letter to the Company, dated 28 June 2015, in which the Ministry stated that it shall not apply the termination right in the Concession so long as the Company continues its efforts to reach the required transshipment level and the Ministry is comfortable with the Company’s efforts.

COMPLIANCE RISK

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

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 impacts 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



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 2021 is ~BHD 28,454 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 very good cause. Employees are also encouraged to take part in such events and give it their best with the goal of making it to the top of the winners list.

Live Webinar: Promoting Gender Balance in Supply Chain & Logistics:

APM Terminals organized a Webinar to showcase the Kingdom of Bahrain’s success in “Promoting Gender Balance in Supply Chain & Logistics”. The live webinar under the patronage of H.E. Engineer Kamal bin Ahmed Mohammed, Minister of Transportation and Telecommunications, Kingdom of Bahrain, and in partnership with the Supreme Council For Women (SCW) highlighted the importance of “Promoting Gender Balance in Supply Chain and Logistics”.

Live Webinar

Under the patronage of
H.E. Engineer Kamal Bin Ahmed Mohammed
 Minister of Transportation and Telecommunications

Join APM Terminals for a live webinar on
“Promoting Gender Balance in Supply Chain & Logistics”

 Speaker: Sarah Hunter Chief Executive Officer, APM Terminals	 Speaker: Rania Ahmed Al Jari Director of Gender Balance Center, Supreme Council for Women	 Speaker: Kalyon Kirijsain Head of Markets KPMG Fakhro	 Speaker: Eman Elashry General Manager, Supply Chain, Foulath Holding	 Speaker: Elizabeth Ndiane Head of HR Africa, Middle East APM Terminals	 Speaker: Fatima Ahmed Senior Ports Development Specialist, Ports and Maritimes Affairs, Ministry of Transportation and Telecommunications	 Speaker: Glom Hamoud Director of Partnerships & Customer Engagement Tarkeen
--	---	---	---	---	---	--

- A unique opportunity to hear from the Kingdom’s key supply chain partners, both public and private sector.
- High level panel to discuss and showcase the talent that lies within the industry and how it’s striving for greater gender balance.

Date: March 17, 2021

Time: 16:00 GMT+3

www.finmarkcoms.info

Organized by:

communications
FINMARK

Acceleration Program: Training and Development

The Leadership path of the Acceleration program has been launched in the Month of November. It aims to ensure world-class real-world experiential learning opportunity, preparing selected talents for high impact visible roles in the Industry and develop the next generation Bahraini corporate leaders in the Logistics and Maritime Sector. It is also part of our contribution to Bahrain's Economic Vision 2030 and serves as a CSR program, giving priority to talents who have been made unemployed in the last 2 years since the pandemic hit the globe.

The Acceleration Program consists of 2 main paths:

The Leadership Program

The leadership Path consists of the following features:

- ◆ 8 Bahraini Talents will undergo an extensive screening process based on aptitude, educational qualifications, and relevant work experiences
- ◆ The selected Talents will be extended an employment contract for the duration of 24 months during which they will undergo a hybrid experiential learning journey consisting of On-The-Job trainings, classroom and virtual leadership and organizational development programs and short-term assignments where they will be eligible for global rotations at APM Terminals facilities
- ◆ The selected Talents will undergo professional training and participate in high impact projects

The Maritime Youth Program

- ◆ 3 Talents will be sponsored on a full scholarship for the duration of 3 years to study Nautical Science and undergo 12 to 18 months of sea-time apprenticeship on a Maersk Vessel through Collaboration with Polytechnic University Bahrain, Polytechnic Singapore, and Maersk
- ◆ The selection process includes recommendation from the university, entry tests in English, Math and Science, and a panel interview consisting of representatives from APM Terminals Bahrain and Ministry of Transportation & Telecommunications



Internship Program

APM Terminals Bahrain, has endeavoured towards supporting students by providing either hands-on experience or support in best practice sharing in the Logistics domain.

APM Terminals Bahrain have launched an enrollment program where students could apply for internship through the company website. Additionally, Virtual Internship Program has been launched where APM Terminals will support students with projects while ensuring their safety at the highest priority by undergoing the internship virtually. Notwithstanding COVID19 disruptions, 11 interns from Bahrain Polytechnic have successfully completed their internship at APM Terminals Bahrain across departments and two interns were offered employment contracts.

52nd ABDULLA ALI KANOO GOLF CUP TOURNAMENT

APMT Bahrain took part in sponsoring the 52nd Abdulla Ali Kanoo Golf Cup Tournament.

Breast Cancer Awareness Session

A breast cancer awareness campaign was designed and presented to APM Terminals Bahrain Male and Females in separate sessions. The sessions covered various topics such as breast cancer awareness, methods of early detection, correction of misconceptions and methods of healthy lifestyle.



Environment – Go Green



APM Terminals organized its Go Green initiative. This initiative focused on understanding how APM Terminals can reduce its carbon footprint, hearing from its employees their ideas in how we can safeguard the environment, planting more plants inside the port, in addition organized a clean-up that covered the area in the vicinity of the port and the approach roads leading to it.

Related Party Transactions



8. To review related party transactions entered by the Company for the financial year ended 31 December 2021 as set out in Note 22 of the financial statements in line with Article 189 of the Commercial Companies Law.

(As detailed in the Corporate Governance Report)



9. To discharge the Board of Directors from their liability in respect of management of the Company for the year ended 31 December 2021.



10. Election of two Independent Directors and appointment of four directors (3 executive and 1 non-executive directors) to the Board of Directors for the coming three years (i.e., 2022 – 2025).

Following directors are appointed as members of the Board:

- David Skov - Executive Director
- Soren S Jakobsen - Executive Director
- Fawzi Kanoo - Executive Director
- Jesper Kaedegaard - Non-Executive Director



Election of 2 independent directors is to be done by secret ballot cumulative voting under Article 176 of the Commercial Companies Law 2001. Following are the nominations received:

- Mohamed Bin Ebrahim Juma Alshroogi
- Nadhem Saleh Al Saleh
- Maisa Ahmed Al Haddad
- Ismail Al Sarraf
- Jordana Elie Semaan

Nominations for candidacy of the Board of Directors' membership for a three-year term of APM Terminals Bahrain B.S.C.

Further to the announcement on 21 February 2022, issued by APM Terminals Bahrain B.S.C. (the “Company”) with regards to the nominations for the candidacy of the Company’s Board of Directors for a three-year term (2022-2025), please find below the final list of the candidates for the Independent Directors, based on the nominations received by us. The elections will be carried out during the Annual General Meeting that is scheduled to be held on Wednesday, 30th March 2022.

Mr. Mohamed Bin Ebrahim Juma Alshroogi - Bahraini Independent Director

Work Experience

- Mohammed has 40+ years of experience
- Mohammed joined Investcorp in 2009 as President of Gulf Business. He was appointed Co-CEO in 2015. During Mohammed’s tenure, Investcorp grew to become the largest private equity investor in the Gulf, with assets under management increasing from US\$ 10.5 billion in 2009 to US\$ 25 billion in 2018
- Division Executive for Citigroup Middle East, North Africa, and Pakistan region, and CEO for the United Arab Emirates. Over 33 years, he strengthened Citigroup’s business in the region. He was responsible for more than US\$ 1 billion of revenue for the bank



Education and Courses

- Graduated from Kuwait University and has attended numerous programs around the world, including the Harvard Executive Management Program

Licenses and Memberships/ Directorships

- Mohammed currently sits on the board of global investment company Wisayah Investment Company, a wholly owned subsidiary of Saudi Aramco as well as the Aramco Pension Fund.
- Vice Chairman of Al Baraka Group, Chairman of Saudi joint stock company L’azurde,
- Member of the Board of the Bahrain Health Insurance Fund, APM Terminals Bahrain, Investcorp Financial Services, the National US–Arab Chamber of Commerce, (Washington DC)
- Chairman of the GCC Board Directors Institute (BDI)
- Member of the Bahrain Shura Council, the Board of Trustees at Bahrain University, and Bahrain Economic Development Board
- Chairman of Investcorp Saudi Arabia Financial Investments Company

Nadhem Saleh Al-Saleh - Bahraini Independent Director

Work Experience

- Faculty member of College of Business Administration-University of Bahrain since 2013
- Dean of Scientific Research-University of Bahrain since 2008
- Vice President for scientific research-University of Bahrain 2010-2013
- Director of Continuing Management Education Program, College of Business Administration-University of Bahrain 2005-2008
- Chairman of Department of Economics & Finance, College of Business Administration-University of Bahrain 2000-2005 and various other professional positions at University of Bahrain
- Production Engineer , Bahrain National Oil Company (BANOCO, Bahrain) 1982-1984
- General Manager, Saleh Al-Saleh Company 1974-1982



Education and Courses

- Ph.D. in Finance-Brunel University, England 1993-1998
- Master of Business Administration (MBA)-Indiana University of Pennsylvania 1986
- Bachelor of Petroleum Engineering-University of Baghdad 1974

Licenses and Memberships/ Directorships

- Vice Chairman-Board of Directors-Saleh Al Saleh Company.
- Board Member / Independent Director / Chairman of the Audit and Risk Committee-Bahrain Solidarity (an Islamic Insurance Company – publicly listed) since 2014.
- Board Member and Chairman of Audit, Risk and Compliance Committee-APM Terminals (operating company of Khalifa bin Salman Port at Hidd, publicly listed) since 2018.
- Member of the Board of Trustees and Member of Executive Committee-Yusuf bin Ahmad Kanoo Excellence Award since 2016.
- Board Member-Bahrain Family Business Association since 2018.
- Founding Member-Family Business Consulting Center (under establishment) till present.

Ms. Maisa Ahmed Al-Haddad - Bahraini

Independent Director

Work Experience

- Vice President-Senior Portfolio Manager (Treasury Investments)-Gulf International Bank B.S.C., Bahrain since 2012
- Senior International Investment Manager (Global Fixed Income & Money Markets-Asset Management)-NCB Capital B.S.C.(c), Bahrain 2009-2012
- Investment Manager / Fund Manager (Global Fixed Income - Asset Management)-NCB Capital B.S.C.(c), Bahrain 2007-2008
- Investment Manager (Capital Markets - Structured Finance), The Saudi National Commercial Bank (NCB), Bahrain 2004-2007
- Assistant Manager (Treasury - Investment Department)-Gulf International Bank (GIB B.S.C), Bahrain 2002-2004
- Executive Trainee (Treasury Policy and Risk Management Department) Gulf International Bank (GIB B.S.C), Bahrain 2001-2002



Education and Courses

- Empowering Women Directors Oct 2021
- University of Cambridge Sustainable Finance Program Aug-Nov 2020
- Oxford Leadership Programme Feb-May 2020
- MSc International Securities, Investment & Banking Oct 2000-Jul 2001
- BSc Chemical Engineering-College of Engineering, University of Bahrain 1995-2000

Licenses and Memberships/ Directorships

- Associate Member, GCC Board Directors Institute
- Member, Diversity on Board
- Climate Change International Legal Regime, United Nations
- Diversity & Inclusion in the workplace, ESSEC Business School
- Member, Social Value International

Mr. Ismail Al Sarraf - Bahraini
Independent Director



Work Experience

- Chairman / Founder-Arabian Oryx Constructions & Trading Co. 2008-2020
- Senior pot lining planner (Process Control and Development)-Aluminium Bahrain (ALBA) 2013-2016
- Logistics Supervisor – ALBA 2011-2013
- Team member for plant-wide enforcement of 'Lean techniques & methodology', ALBA 2011
- Acting Head of Maintenance Planning & Services Cast House, ALBA 2010-2011
- Cast House 1 Closure Project-Aluminium Bahrain (ALBA) 2009-2010
- Planner–Cast House maintenance, Aluminium Bahrain (ALBA) 2003- 2009
- Acting Maintenance Planner, Aluminium Bahrain (ALBA) 1999-2002
- Apprentice-Aluminium Bahrain (ALBA) 1996-1999

Education and Courses

- Executive Master of Business Administration (EMBA)-University of Hull, United Kingdom 2011
- Associated Diploma in Electrical Engineering from University of Bahrain 1995

Licenses and Memberships/ Directorships

- MIET (Member of the Institution of Engineering and Technology), United Kingdom
- Member of Bahrain Society of Engineers
- Corporate Broker (License No.: B201809/0445)-Real Estate Regulatory Authority, Bahrain.
- Practitioner Certificate in Real Estate-BIBF / RERA
- Six Sigma Green Belt-Aluminium Bahrain (ALBA)
- Electronic servicing part 1 and part 2 -City & Guilds, London, United Kingdom

Ms. Jordana Elie Semaan - Bahraini / British
Independent Director



Work Experience

- Head of HR-Gulf and Asia & DEI Champion since 2019
- General Manager HR-APM Terminals Bahrain 2017-2019
- Country Head of HR-Bahrain/Saudi Arabia 2013-2017
- Senior HR and Admin Advisor - Hyder Consulting Middle East Limited 2010-2013
- Sales, Marketing and PR Manager-Abaad Real Estate Company, Bahrain (Subsidiary of Bahrain Islamic Bank) 2008-2010
- Senior Professional-Wealth Management - Capinvest Investment Bank, Bahrain 2007-2008.
- Communications / Logistics 2003-2007
- Communication Assistant – Contract Position-Federation Internationale De L'Automobile, France
- Motorsport Division Supervisor/Investor Relations Manager-Bahrain International Circuit
- Team Logistics Executive-Bahrain International Circuit
- Marketing and PR Executive-Bahrain International Circuit

Education and Courses

- Ms. Jordana expects her graduation-Columbia University-2022
- MSc. Human Capital Management
- Insead Gender Diversity Program-2020
- CIPD Intermediate Level HRCPD-2013
- BSC. Business (Major Marketing) - New York Institute of Technology 2003-2006
- Diploma-Business Marketing-T.A.F.E, Sydney, Australia 2002-2003

Licenses and Memberships/ Directorships

- Board Member of Dream Society Charity



11. Appointment/ reappointment of the external auditors for the financial year ending 31 December 2022 and authorizing the Board of Directors to determine their fees.



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

