

Financial impact of COVID-19

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

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

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

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

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

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

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 Circumstances may change which may result in this information to be out-of-date.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