



Date: 25 February 2021

BMMI COVID-19 Impact – Supplementary Information

With the onset of COVID-19, economies across the Globe have been severely impacted by loss of lives, panic and uncertainty. Demand for essential goods rose in the ensuing panic while non-essential demand plummeted. Significant uncertainty continues with respect to ease of lockdowns, social distancing norms and long-term impact of the pandemic on economic and social well-being

BMMI has not been immune to the pandemic impact. The Group started 2020 strongly, delivering net profit growth of 17% after the first 2 months. COVID-19 hit our business in the last week of February and has significantly impacted our business until year end and continues to do so. The key domestic impact is with the closure of the hospitality sector and travel restrictions and limitations. This has resulted in a downturn across many of our business units but most significantly in our Beverage division.

Below is an assessment of key impacts BMMI has observed in its operations since the beginning of Pandemic:

Revenue	<p>With tourism and hospitality restrictions, the BMMI Shops witnessed an estimated drop in revenue of BD15.2m</p> <p>Alosra retail shops noted a surge in sales due to COVID induced panic buy (estimated at BD1.9m)</p> <p>Bayader restaurants closed with the onset of Pandemic, reopened in Q4 with several restrictions and has lost estimated sales of BD1.1m</p> <p>Banader Hotel noted significant reduction in occupancy rates and has loss an estimated sales of BD2.1m.</p>
Other income	<p>Investment income fell by an estimated amount of BD300k as direct impact of the Companies declaring lower dividend in lieu of the Pandemic</p> <p>Rental income fell by BD18k as rent concessions were offered by the management as COVID relief to the tenants</p>

Other expense	<p>The Pandemic resulted in several novel expenses in the company:</p> <ul style="list-style-type: none"> IT - To facilitate remote working, several upgrades were introduced costing BD50k Facilities Management - Sanitization and employee hygiene measures in the workplace costing (BD70k)
Government support	<p>Government rendered several Pandemic reliefs to the corporates. The impact on BMMI is below:</p> <ul style="list-style-type: none"> Bahraini Salary Support (+BD938k) Utility Support (+BD229k)






	<ul style="list-style-type: none"> Rent relief (+BD63k) Loan repayment exemption resulted in a cashflow impact of BD1.4m income impact of BD409k <p>Salary and utility support has been presented in other income while rent and loan deferrals have been offset against expenses. The Group has no unfulfilled obligations relating to the program.</p>
Net Profit	The net impact of the above on the Group's bottom line is estimated at BD5.2m.

Commitments and Contingent Liabilities

The Group has assessed impact of any operational disruptions, including any contractual challenges and changes in business or commercial relationships among the Company, suppliers and customers, with a view of potential commitments or contingent liabilities. No such issues were noted.

Going Concern

In response to significant change in market conditions, BMMI assessed the Group's Going Concern ability. Despite market turmoil, BMMI has closed the quarter with a profit capitalizing on diversified business and strong focus on e-commerce. Moreover, BMMI has successfully secured higher loan limits with the banks to facilitate smooth cash flow. Combining these factors with BMMI's strong reserves, the Management has complete comfort in the going concern ability of the Group and the interim Consolidated Financial Statements have been prepared on a going concern basis.



Mr. Jad Moukheiber
Board Secretary

