

Selected explanatory notes to the condensed interim financial information for the quarter and nine months period ended 30 September 2021 (Unaudited)
Impact of COVID-19 in accordance with CBB circular OG/259/2020 (Expressed in Bahrain Dinars)

In accordance with the Central Bank of Bahrain circular dated 14 July 2020, having reference number OG/259/2020, which aims to maintain transparency amidst the current implication of Coronavirus (COVID19), the Company discloses herewith additional financial information pertaining to the financial impact of COVID19 on the condensed interim financial information as follows:

The World Health Organisation declared Coronavirus (COVID19) a global health emergency on 30 January 2020. Subsequently, the WHO classified COVID19 outbreak a global pandemic based on the rapid increase in exposure and infections across the world. The pandemic necessitated restrictions and closures that affected our operations and tenants. The Company has experienced significant disruption to its operations in the following respects:

- Decreased demand for certain services as a consequence of travel restrictions and social distancing requirements and recommendations; and
- Significant uncertainty concerning when government closures will be lifted, social distancing requirements will be eased and the long-term effects of the pandemic on the demand for Company's primary services.

Based on the nature of operations and the industry in which it operates, the Company's management assessed the significant impact of COVID19 in the below areas:

- Decrease in operating income;
- Government grants;
- Valuation and income from financial assets; and
- Commitments and contingent liabilities.

(a) Decrease in operating income

Company has experienced a reduction in its operating income amounting to BD286,243 for the nine months period ended 30 September 2021 as compared to the estimates. The Company is engaged in operating car parks, real estate activities with own or leased property and other marketing/promotional activities, as follows:

- The Company's daily car parks business showed 58% decrease in value;
- The Company's monthly car parks business showed 8% decrease in value;
- Tenants were affected by the pandemic and the Company has voluntarily provided rent concessions, waivers and deferrals to tenants during the period, which resulted in a decrease in operating income by BD42,357; and
- Some tenants terminated their leases during the pandemic leading to loss of income by BD41,716.

(b) Government grants

The Company has applied for government support programs introduced in response to the global pandemic. The Company has received a government grant of BD63,074 relating to support towards the payroll of the Company's Bahraini employees. The Company has elected to present this government grant under other income. The Company committed to spending the assistance on payroll expenses.

(c) Valuation and income from financial assets

The Company has investments, which are classified as financial assets at fair value through other comprehensive income and form a significant balance in the condensed interim financial information. The fair value changes due to the impact of COVID19, are as follows:

- The Company's valuation of financial assets at fair value through other comprehensive income has resulted in unrealised fair value losses of BD158,633; and
- The Company's estimates of dividend receivables relating to its financial assets showed 48% decrease in value.

(d) Commitments and contingent liabilities

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

The below table summarises the impact of COVID-19 on the condensed interim financial information for the nine months period ended 30 September 2021:

Financial statement area	Nature of impact	Amount in BD
Operating income	Decrease	286,243
Government grants	Increase	63,074
Valuation and income from financial assets	Decrease	158,633

Tariq Ali Aljowder
Chief Executive Officer

9 November 2021