

**Supplementary information (unaudited)**

**SUPPLEMENTARY DISCLOSURE RELATED TO THE IMPACT OF COVID-19**

Further to the CBB letter dated 14 July 2020 (ref. OG/259/2020), Bahrain Flour Mills Company B.S.C. provides the following information:

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| <i>A. The overall impact on the financial statements</i>  |  |
| The overall impact on the financial statements of BFM as at 31 December 2021 has been assessed by Management and is described as per below: |  |

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| <i>B. The impact on Income Statement</i> |  |
| Revenues                                 | There was no significant impact on food industry and demand was sustainable. BFM gained some additional commercial business other than the subsidised business in the current year. In general, we have observed no material revenue impact in 2021.       |
| Expenses                                 | BFM incurred additional expenses of BD 65,179 up to 31 December 2021 in relation to COVID-19   |
| Investment Income                        | The company holds financial assets at fair value through profit or loss, the change in the fair value/reported profit for 2021 is BD 3,541,802 as compared to fair value gain of BD 376,352 for the year 2020; markets improving from the initial setback. |
| Net income                               | Additional financial support was provided by the Government of Bahrain from June to September 2021 with 50% salary support for all Bahraini employees – BD 113,614 (2020: BD 318,570).   |

|                                       |  |
|---------------------------------------|--|
| <i>C. The impact on Balance Sheet</i> |  |
| <i>Assets</i>                         |  |
| Cash and cash equivalents             | <p>We have unused facilities available from Banks. Our liquidity position is strong, and we have not noticed any material reduction in our cash collection. Further, the company has liquid investment on balance sheet.</p> <p>We have strong cash flow from customers, and we anticipate this to continue and we anticipate the government subsidy to remain the same. There is no material impact on any other assets of the Company as at 31 December 2021.</p> <p>Investment at fair value through profit and loss has increased in value by 33.9% from BD 10,456,304 as of 31 December 2020 to BD 13,998,106 as at 31 December 2021.</p> |

**Supplementary information (unaudited)**

*SUPPLEMENTARY DISCLOSURE RELATED TO THE IMPACT OF COVID-19 (continued)*

| <i>Liabilities</i>                         |  |
|--|--|
| Import finance loans                       | BFM currently carries debt for the normal course of business and the COVID-19 related purchase of strategic wheat which was financed by the government and was outstanding on 31 December 2020 has been fully offset by subsequent subsidy claims. |
| Net equity attributable to shareholders    | The net equity has improved by BD 3,554,488 a net result of current comprehensive income less dividend paid, and charity contribution set aside and paid from 2020 income.   |
| Other material impact on the Balance Sheet | No other impact  |

*D. The impact on the company's ability to continue as going concern*

The Company has performed an assessment of its going concern in the light of current economic conditions and all available information about future risks and uncertainties. The projections have been prepared covering the Company's future performance, capital, and liquidity. The impact of COVID-19 may continue to evolve, and the projections show that the company has ample resources to continue its operational existence and based on this assessment, BFM Board of Directors are of the view that the going concern position remains largely unaffected and unchanged as at 31 December 2021. Considering the above, this Financial Statements have been appropriately prepared on a going concern basis. This information has not been subject to audit by external auditors.