

**BMMI B.S.C.**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS**

**30 JUNE 2020 (REVIEWED)**



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C.R. No. 29977-1

## REPORT ON THE REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF BMMI B.S.C.

### **Introduction**

We have reviewed the accompanying interim consolidated statement of financial position of BMMI B.S.C. ("the Company") and its subsidiaries (together "the Group") as of 30 June 2020, and the related interim consolidated statements of income, comprehensive income, cash flows and changes in equity for the six-month period then ended and explanatory notes. The Company's Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 ("IAS 34") "*Interim Financial Reporting*". Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

### **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**


Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Auditor's Registration No. 244  
9 August 2020  
Manama, Kingdom of Bahrain

**BMMI B.S.C.**
**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 30 June 2020 (Reviewed)

	<i>Notes</i>	<b>30 June 2020 (Reviewed) BD</b>	<i>31 December 2019 (Audited) BD</i>	<i>30 June 2019 (Reviewed) BD</i>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		52,169,171	48,538,585	49,618,761
Investment property		9,457,725	9,457,725	9,457,725
Right-of-use assets		7,616,485	7,778,597	5,358,044
Investments in joint ventures		244,696	1,569,433	1,604,440
Investments		9,130,712	10,708,092	11,929,803
		<b>78,618,789</b>	<b>78,052,432</b>	<b>77,968,773</b>
<b>Current assets</b>				
Inventories		13,581,070	11,928,055	12,117,568
Trade and other receivables		23,237,606	23,695,262	22,193,602
Bank balances and cash		5,118,691	4,814,777	3,671,982
Advance income tax		117,042	-	-
		<b>42,054,409</b>	<b>40,438,094</b>	<b>37,983,152</b>
<b>TOTAL ASSETS</b>		<b>120,673,198</b>	<b>118,490,526</b>	<b>115,951,925</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	6	14,642,854	14,642,854	14,642,854
Treasury shares		(1,430,101)	(1,430,101)	(1,430,101)
Other reserves		12,814,838	14,009,286	13,789,296
Retained earnings		40,231,970	42,388,724	39,043,581
<b>Equity attributable to shareholders of BMMI B.S.C.</b>		<b>66,259,561</b>	<b>69,610,763</b>	<b>66,045,630</b>
Non-controlling interests		934,854	1,705,939	2,491,100
<b>Total equity</b>		<b>67,194,415</b>	<b>71,316,702</b>	<b>68,536,730</b>
<b>Non-current liabilities</b>				
Loans and borrowings		16,731,615	14,875,992	16,181,345
Lease liabilities		4,867,353	6,408,530	4,100,772
Employees' end of service benefits		2,018,899	1,935,586	1,784,614
		<b>23,617,867</b>	<b>23,220,108</b>	<b>22,066,731</b>
<b>Current liabilities</b>				
Trade and other payables		12,620,987	11,933,294	11,862,643
Loans and borrowings		7,568,945	6,332,502	6,220,022
Bank overdrafts		5,744,165	3,372,230	4,718,395
Lease liabilities		2,548,174	1,083,917	1,344,579
Retentions payable		1,378,645	1,174,121	1,174,121
Income tax payable		-	57,652	28,704
		<b>29,860,916</b>	<b>23,953,716</b>	<b>25,348,464</b>
<b>Total liabilities</b>		<b>53,478,783</b>	<b>47,173,824</b>	<b>47,415,195</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>120,673,198</b>	<b>118,490,526</b>	<b>115,951,925</b>



Abdulla Hassan Buhindi  
Chairman



Shawki Ali Fakhroo  
Vice Chairman

The attached notes 1 to 13 form part of these interim condensed consolidated financial statements.

**BMMI B.S.C.**

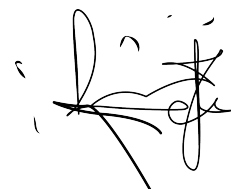
**INTERIM CONSOLIDATED STATEMENT OF INCOME**

For the six-month period ended 30 June 2020 (Reviewed)

	Notes	Six-month period ended 30 June	
		2020	2019
		BD	BD
Revenue from contracts with customers	8	<b>47,606,200</b>	50,473,037
Costs of revenue		<b>(36,445,589)</b>	(35,735,144)
<b>GROSS PROFIT</b>		<b>11,160,611</b>	14,737,893
Other operating income		<b>2,062,593</b>	1,044,176
Selling and distribution expenses		<b>(4,948,171)</b>	(5,381,056)
General and administrative expenses		<b>(6,304,602)</b>	(7,112,069)
<b>PROFIT FROM OPERATIONS</b>		<b>1,970,431</b>	3,288,944
Net investment income		<b>390,982</b>	553,610
Share of results of joint ventures		<b>(18,972)</b>	(48,995)
Net (losses) gains on investments carried at fair value through profit or loss		<b>(68,033)</b>	11,424
Finance costs		<b>(712,509)</b>	(850,109)
<b>PROFIT BEFORE INCOME TAX</b>		<b>1,561,899</b>	2,954,874
Income tax expense		<b>(54,886)</b>	(21,715)
<b>PROFIT OF THE GROUP FOR THE PERIOD</b>		<b>1,507,013</b>	2,933,159
of which loss attributable to non-controlling interests		<b>771,085</b>	770,949
<b>PROFIT FOR THE PERIOD OF THE GROUP ATTRIBUTABLE TO SHAREHOLDERS OF BMMI B.S.C.</b>		<b>2,278,098</b>	3,704,108
<b>BASIC AND DILUTED EARNINGS PER SHARE (FILS)</b>	10	<b>16</b>	26



Abdulla Hassan Buhindi  
Chairman



Shawki Ali Fakhroo  
Vice Chairman

The attached notes 1 to 13 form part of these interim condensed consolidated financial statements.

**BMMI B.S.C.****INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the six-month period ended 30 June 2020 (Reviewed)

	<i>Six-month period ended</i>	
	<i>30 June</i>	
	<b>2020</b>	<i>2019</i>
	<b>BD</b>	<i>BD</i>
<b>PROFIT OF THE GROUP FOR THE PERIOD</b>	<b>1,507,013</b>	2,933,159
<b>OTHER COMPREHENSIVE (LOSS) INCOME</b>		
<i>Items not to be reclassified to the interim consolidated statement of income in subsequent periods:</i>		
- Net changes in fair value of investments classified as fair value through other comprehensive income	<b>(1,107,569)</b>	677,994
<i>Items to be reclassified to the interim consolidated statement of income in subsequent periods:</i>		
- Exchange loss on translation of foreign operations	<b>(66,044)</b>	(155,802)
<b>OTHER COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD</b>	<b>(1,173,613)</b>	522,192
<b>TOTAL COMPREHENSIVE INCOME OF THE GROUP FOR THE PERIOD</b>	<b>333,400</b>	3,455,351
of which loss attributable to non-controlling interests	<b>771,085</b>	770,949
<b>TOTAL COMPREHENSIVE INCOME OF THE GROUP ATTRIBUTABLE TO SHAREHOLDERS OF BMMI B.S.C.</b>	<b>1,104,485</b>	4,226,300

Abdulla Hassan Buhindi  
ChairmanShawki Ali Fakhroo  
Vice Chairman

The attached notes 1 to 13 form part of these interim condensed consolidated financial statements.

**BMMI B.S.C.****INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

For the six-month period ended 30 June 2020 (Reviewed)

	<i>Six-month period ended 30 June</i>	
	<b>2020</b>	<b>2019</b>
	<b>BD</b>	<b>BD</b>
<b>OPERATING ACTIVITIES</b>		
Profit before tax	<b>1,561,899</b>	2,954,874
Adjustments for:		
Net investment income	<b>(390,982)</b>	(553,610)
Depreciation of property, plant and equipment	<b>1,628,809</b>	1,532,316
Depreciation of right-of-use assets	<b>650,124</b>	648,733
Net losses (gains) on investments carried at fair value through profit or loss	<b>68,033</b>	(11,424)
Provision for employees' end of service benefits	<b>198,737</b>	150,447
Finance costs	<b>712,509</b>	850,109
Share of results joint ventures	<b>18,972</b>	48,995
Provision (reversal of provision) for slow moving and expired inventories	<b>496,196</b>	(198,711)
Provision (reversal of allowance) for expected credit losses	<b>144,438</b>	(90,388)
Operating profit before working capital changes	<b>5,088,735</b>	5,331,341
Working capital changes:		
Inventories	<b>(2,149,211)</b>	(338,006)
Trade and other receivables	<b>336,700</b>	(1,383,184)
Trade and other payables	<b>551,114</b>	(2,213,065)
Net cash generated from operations	<b>3,827,338</b>	1,397,086
Income tax paid	<b>(229,580)</b>	(52,837)
Directors' remuneration paid	<b>(193,500)</b>	(137,000)
Employees' end of service benefits paid	<b>(156,924)</b>	(197,651)
Net movement in advances against employees' end of service benefits	<b>41,500</b>	106,970
Net cash flows from operating activities	<b>3,288,834</b>	1,116,568
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	<b>(947,749)</b>	(613,868)
Proceeds from disposals of investments	<b>831,284</b>	967,999
Additions in investments	<b>(429,506)</b>	-
Dividends and interest received	<b>367,500</b>	406,043
Net cash flows (used in) from investing activities	<b>(178,471)</b>	760,174
<b>FINANCING ACTIVITIES</b>		
Dividends paid to the shareholders of BMMI B.S.C.	<b>(4,847,073)</b>	(4,687,037)
Interest expenses paid	<b>(472,783)</b>	(850,109)
Payment of principal amount of lease liabilities	<b>(564,932)</b>	(561,426)
Loans and borrowings repaid	<b>(227,552)</b>	(220,453)
Loans and borrowings availed	<b>1,000,000</b>	-
Net movement in retentions payable	<b>-</b>	(1,250)
Net cash flows used in financing activities	<b>(5,112,340)</b>	(6,320,275)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(2,001,977)</b>	(4,443,533)
Net foreign exchange differences	<b>(66,044)</b>	(155,802)
Cash and cash equivalents as at 1 January	<b>1,442,547</b>	3,552,922
<b>CASH AND CASH EQUIVALENTS AS AT 30 JUNE (A)</b>	<b>(625,474)</b>	(1,046,413)

The attached notes 1 to 13 form part of these interim condensed consolidated financial statements.

**BMMI B.S.C.****INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)**

For the six-month period ended 30 June 2020 (Reviewed)

(A) Cash and cash equivalents comprise of following amounts:

	<i>Six-month period ended</i>	
	<i>30 June</i>	
	<b>2020</b>	<b>2019</b>
	<b>BD</b>	<b>BD</b>
Cash, bank balances and short-term deposits	<b>5,118,691</b>	3,671,982
Bank overdrafts	<b>(5,744,165)</b>	(4,718,395)
<b>Cash and cash equivalents as at 30 June</b>	<b><u>(625,474)</u></b>	<b><u>(1,046,413)</u></b>

**Non-cash items**

- Dividend and interest income receivable amounting to BD 23,482 (2019: BD 147,567) has been excluded from the movement of trade and other receivables.
- Unpaid interest expense amounting to BD 239,726 (2019: nil) has been excluded from the movement in trade and other payables.
- Unclaimed dividends pertaining to prior years amounting to BD 576,251 (2019: BD 416,215) has been excluded from the movement in trade and other payables.
- An amount of BD 184,865 (2019: BD 168,692) which pertain to unpaid donations to charitable organisation has been excluded from the movements of trade and other payables.
- Disposal of an investment in a joint venture with carrying amount of BD 1,305,765 (note 1) was adjusted against the following accounts:

**BD**

Purchase of property, plant and equipment	4,311,646
Loans and borrowings availed	(2,319,618)
Other payable	(481,739)
Net movement in retentions payable	(204,524)
	<b><u>1,305,765</u></b>

The attached notes 1 to 13 form part of these interim condensed consolidated financial statements.

**BMMI B.S.C.****INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the six-month period ended 30 June 2020 (Reviewed)

*Equity attributable to shareholders of BMMI B.S.C.*

	<i>Share capital BD</i>	<i>Treasury shares BD</i>	<i>Other reserves BD</i>	<i>Retained earnings BD</i>	<i>Total BD</i>	<i>Non-controlling interests BD</i>	<i>Total equity BD</i>
At 1 January 2020	14,642,854	(1,430,101)	14,009,286	42,388,724	69,610,763	1,705,939	71,316,702
Profit (loss) for the period	-	-	-	2,278,098	2,278,098	(771,085)	1,507,013
Other comprehensive loss for the period	-	-	(1,173,613)	-	(1,173,613)	-	(1,173,613)
Total comprehensive (loss) income for the period	-	-	(1,173,613)	2,278,098	1,104,485	(771,085)	333,400
Final dividend for 2019 (note 7)	-	-	-	(4,270,822)	(4,270,822)	-	(4,270,822)
Gain on disposals of investments carried at fair value through other comprehensive income	-	-	(20,835)	20,835	-	-	-
Transfer to charity reserve	-	-	184,865	(184,865)	-	-	-
Distribution to Alosra Charitable Foundation	-	-	(184,865)	-	(184,865)	-	(184,865)
<b>Balance at 30 June 2020</b>	<b>14,642,854</b>	<b>(1,430,101)</b>	<b>12,814,838</b>	<b>40,231,970</b>	<b>66,259,561</b>	<b>934,854</b>	<b>67,194,415</b>

Retained earnings include non-distributable reserves amounting to BD 340,000 relating to the subsidiaries as at 30 June 2020.

The attached notes 1 to 13 form part of these interim condensed consolidated financial statements.



**BMMI B.S.C.****INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the six-month period ended 30 June 2020 (Reviewed)

	<i>Equity attributable to shareholders of BMMI B.S.C.</i>				<i>Non-controlling interests</i>	<i>Total equity</i>	
	<i>Share capital</i>	<i>Treasury shares</i>	<i>Other reserves</i>	<i>Retained earnings</i>			
	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	
At 1 January 2019	14,642,854	(1,430,101)	13,678,045	39,368,046	66,258,844	3,262,049	69,520,893
Profit (loss) for the period	-	-	-	3,704,108	3,704,108	(770,949)	2,933,159
Other comprehensive income for the period	-	-	522,192	-	522,192	-	522,192
Total comprehensive income (loss) for the period	-	-	522,192	3,704,108	4,226,300	(770,949)	3,455,351
Final dividend for 2018 (note 7)	-	-	-	(4,270,822)	(4,270,822)	-	(4,270,822)
Gain on disposals of investments carried at fair value through other comprehensive income	-	-	(410,941)	410,941	-	-	-
Transfer to charity reserve	-	-	168,692	(168,692)	-	-	-
Distribution to Alosra Charitable Foundation	-	-	(168,692)	-	(168,692)	-	(168,692)
Balance at 30 June 2019	14,642,854	(1,430,101)	13,789,296	39,043,581	66,045,630	2,491,100	68,536,730

Retained earnings include non-distributable reserves amounting to BD 405,681 relating to the subsidiaries as at 30 June 2019.

The attached notes 1 to 13 form part of these interim condensed consolidated financial statements.

At 30 June 2020 (Reviewed)

**1 CORPORATE INFORMATION**

BMMI B.S.C. ("the Company" or "BMMI") is a public joint stock company, whose shares are publicly traded on the Bahrain Bourse, incorporated in the Kingdom of Bahrain and is registered with the Ministry of Industry, Commerce and Tourism under commercial registration (CR) number 10999. The postal address of the Company's registered head office is P.O. Box 828, Sitra, Kingdom of Bahrain.

The principal activities of the Company and its subsidiaries (together "the Group") are wholesale and retail of food, beverages and other consumable items, logistics and shipping services and also owns a five-star hotel. The Group's operations are located in the Kingdom of Bahrain, United Arab Emirates, Kingdom of Saudi Arabia, Republic of Iraq, United States of America, Republic of Djibouti, Republic of Mali, Republic of South Sudan, Republic of Sudan and Republic of Kenya.

The interim condensed consolidated financial statements were authorised for issue by the Board of Directors on 9 August 2020.

The subsidiaries of the Company are as follows:

<b>Name</b>	<b>Ownership interest</b>		<b>Country of incorporation</b>	<b>Principal activities</b>
	<b>30 June 2020</b>	<b>31 December 2019</b>		
	<b>(Reviewed)</b>	<b>(Audited)</b>		
Nader Trading Company W.L.L.	<b>100%</b>	100%	Kingdom of Bahrain	Managing various consumer agencies.
Alosra Supermarket W.L.L.	<b>100%</b>	100%	Kingdom of Bahrain	Supermarket management.
Alosra Supermarket International Company	<b>100%</b>	100%	Kingdom of Saudi Arabia	Supermarket management.
Banader Hotels Company B.S.C.	<b>54%</b>	54%	Kingdom of Bahrain	Ownership and operations of Downtown Rotana Bahrain.
BMMI s.a.r.l.	<b>100%</b>	100%	Republic of Djibouti	Air transport activity, storage and distribution, import and export.
Bayader Company Restaurant Management	<b>100%</b>	100%	Kingdom of Bahrain	Management services for hotels and restaurants for tourists.
McGettigan Hospitality Management Co W.L.L.	<b>80%</b>	80%	Kingdom of Bahrain	Hospitality management.
Fasttrack Export L.L.C.	<b>100%</b>	100%	State of Florida,	No business activities have commenced yet.
Ardh Al Ahad For General Trading L.L.C.	<b>100%</b>	100%	Republic of Iraq	Provisioning of catering and housekeeping services.
BMMI Food Services S.P.C	<b>100%</b>	100%	Kingdom of Bahrain	Manufacturing of food and catering services.
Gulf Ships for Sea Freight and Maritime Services	<b>100%</b>	100%	Kingdom of Saudi Arabia	Managing cargo handling, shipping and freight services.
BMMI International Holding S.P.C.	<b>100%</b>	100%	Kingdom of Bahrain	Holding company for a group of commercial, industrial or service companies.

BMMI International Holding S.P.C. has the following subsidiaries at the reporting date:

Global Sourcing and Supply East Holding S.P.C.	<b>100%</b>	100%	Kingdom of Bahrain	Holding company for a group of commercial, industrial or service companies.
Global Sourcing and Supply South Holding S.P.C.	<b>100%</b>	100%	Kingdom of Bahrain	Holding company for a group of commercial, industrial or service companies.

**1 CORPORATE INFORMATION (continued)**

BMMI International Holding S.P.C. has the following subsidiaries at the reporting date: (continued)

<i>Names of subsidiaries</i>	<i>Ownership interest</i>		<i>Country of incorporation</i>	<i>Principal activities</i>
	<i>30 June 2020</i> <i>(Reviewed)</i>	<i>31 December 2019</i> <i>(Audited)</i>		
Global Sourcing and Supply North Holding S.P.C.	100%	100%	Kingdom of Bahrain	Holding company for a group of commercial, industrial or service companies.
Global Sourcing and Supply West Holding S.P.C.	100%	100%	Kingdom of Bahrain	Holding company for a group of commercial, industrial or service companies.

Global Sourcing and Supply East Holding S.P.C. has the following subsidiaries at the reporting date:

Global Sourcing and Supply Services Co. Limited	100%	100%	Republic of Sudan	Provisioning of catering and housekeeping services.
Global Sourcing and Supply Services Co. Limited (a)	100%	100%	Republic of South Sudan	Provisioning of catering and housekeeping services.
Global Sourcing and Supply Kenya Limited	100%	100%	Republic of Kenya	Provision of catering and beverage services.

Global Sourcing and Supply South Holding S.P.C. has the following subsidiary at the reporting date:

GSS Gabon SA (b)	100%	100%	Gabonese Republic	Under liquidation.
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Global Sourcing and Supply North Holding S.P.C. has the following subsidiary at the reporting date:

GSS Mali SA	100%	100%	Republic of Mali	Dormant entity
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(a) Represents effective ownership interest.

(b) The Board of Directors of GSS International Holding S.P.C. decided to cease the operations and placed GSS Gabon SA under voluntarily liquidation effective 1 October 2017 and the liquidation process has not been completed at the date of issue of the interim condensed consolidated financial statements.

(c) During 2019, the Group disposed off its shareholding in International Sourcing and Supply Limited – Ghana for cash consideration of BD 17,010 which resulted in a gain on disposal of a subsidiary of BD 324,473.

The Group's joint ventures are as follows:

<i>Name</i>	<i>Ownership interest</i>		<i>Country of incorporation</i>	<i>Principal activities</i>
	<i>30 June 2020</i> <i>(Reviewed)</i>	<i>31 December 2019</i> <i>(Audited)</i>		
B & B Logistics W.L.L. (a)	-	50%	Kingdom of Bahrain	Constructing and operating warehouses.
UQLC Facility Management Company Limited	50%	50%	United Arab Emirates	Provision of facility management, business consultancy, management consultancy overseas and to act as a holding company.

(a) During the period, the Group purchased the Bahrain Logistics Zone Warehouse from BANZ Group B.S.C. with carrying value of BD 4,725,159 and its related loan and retentions payable of BD 2,319,618 and BD 204,524, respectively, in exchange for its 50% shareholding on its investment in B & B Logistics W.L.L. with carrying value of BD 1,305,765 at the time of sale with the remaining balance of BD 895,252 payable in cash. The Group paid BD 413,513 during the period and the remaining balance of BD 481,739 is payable at period end. There was no gain or loss upon the disposal of the Group's investment in B & B Logistics W.L.L.

## 2 SIGNIFICANT ACCOUNTING POLICIES

### **Basis of preparation**

The interim condensed consolidated financial statements of the Group are prepared in accordance with International Accounting Standard 34 (IAS 34), *"Interim Financial Reporting"*.

The interim condensed consolidated financial statements do not contain all information and disclosures required for full consolidated financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2019. In addition, results for the six-month period ended 30 June 2020 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2020.

### **New and amended standards and interpretations adopted as on 1 January 2020**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2019, except for the new standards and interpretations and amendments to standards and interpretations effective as of 1 January 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The new standards, interpretations and amendments which apply for the first time in 2020, do not have an impact on the interim condensed consolidated financial statements of the Group.

### **Amendments to IFRS 3: Definition of a Business**

The amendment to IFRS 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarified that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the interim condensed consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations.

### **Amendments to IFRS 7, IFRS 9 and IAS 39: Interest Rate Benchmark Reform**

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments had no impact on the interim condensed consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

### **Amendments to IAS 1 and IAS 8: Definition of Material**

The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the interim condensed consolidated financial statements of, nor is there expected to be any future impact to the Group.

### **Conceptual Framework for Financial Reporting issued on 29 March 2018**

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the interim condensed consolidated financial statements of the Group.

**3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**

The significant accounting judgements and estimates used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2019.

**4 FINANCIAL INSTRUMENTS**

Set out below is an overview of financial instruments held by the Group as at 30 June 2020:

	<i>Amortised cost (Reviewed) BD</i>	<i>Fair value through profit or loss (Reviewed) BD</i>	<i>Fair value through other comprehensive income (Reviewed) BD</i>	<i>Total (Reviewed) BD</i>
<b>Financial assets:</b>				
Investments	-	1,467,511	7,663,201	9,130,712
Trade and other receivables	17,791,462	-	-	17,791,462
Bank balances and cash	5,118,691	-	-	5,118,691
	<b>22,910,153</b>	<b>1,467,511</b>	<b>7,663,201</b>	<b>32,040,865</b>
<b>Financial liabilities:</b>				
Trade and other payables	11,077,520	-	-	11,077,520
Loans and borrowings	24,300,560	-	-	24,300,560
Lease liabilities	7,415,527	-	-	7,415,527
Bank overdrafts	5,744,165	-	-	5,744,165
Retentions payable	1,378,645	-	-	1,378,645
	<b>49,916,417</b>	<b>-</b>	<b>-</b>	<b>49,916,417</b>

Set out below is an overview of financial instruments held by the Group as at 31 December 2019:

	<i>Amortised cost (Audited) BD</i>	<i>Fair value through profit or loss (Audited) BD</i>	<i>Fair value through other comprehensive income (Audited) BD</i>	<i>Total (Audited) BD</i>
<b>Financial assets:</b>				
Investments	-	2,327,243	8,380,849	10,708,092
Trade and other receivables	20,004,685	-	-	20,004,685
Bank balances and cash	4,814,777	-	-	4,814,777
	<b>24,819,462</b>	<b>2,327,243</b>	<b>8,380,849</b>	<b>35,527,554</b>
<b>Financial liabilities:</b>				
Trade and other payables	10,462,243	-	-	10,462,243
Loans and borrowings	21,208,494	-	-	21,208,494
Lease liabilities	7,492,447	-	-	7,492,447
Bank overdrafts	3,372,230	-	-	3,372,230
Retentions payable	1,174,121	-	-	1,174,121
	<b>43,709,535</b>	<b>-</b>	<b>-</b>	<b>43,709,535</b>

## 5 FAIR VALUE MEASUREMENT

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. Financial instruments of the Group comprise of financial assets and financial liabilities.

Financial assets consist of investments, a portion of trade and other receivables and cash and bank balances. Financial liabilities consist of loans and borrowings, lease liabilities, retentions payable, a portion of trade and other payables and bank overdrafts.

### Fair value of financial instruments

The fair value of financial instruments are estimated based on the following methods and assumptions:

- a) Cash, bank balances, bank overdrafts, a portion of trade and other receivables, retentions payable and a portion of trade and other payables approximate their carrying amounts at the reporting date largely due to the short-term maturities of these instruments;
- b) Loans and borrowings and lease liabilities are evaluated by the Group based on parameters such as interest rates. The carrying amounts are not materially different from their fair values as 30 June 2020 and at 31 December 2019; and
- c) Fair value of quoted investments is derived from quoted market prices in active markets or, in the case of unquoted investments, using indicative bids provided by the fund administrators, using of recent arm's length market transactions, current fair value of another similar instrument or other appropriate valuation techniques.

### Fair value of non-financial assets or liabilities

The Group measured its investment properties at fair value which has been determined by the Investment Committee based on valuations performed by independent valuers as at 31 December 2019.

### Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the interim condensed consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the interim condensed consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.



At 30 June 2020 (Reviewed)

**5 FAIR VALUE MEASUREMENT (continued)***Unquoted investments*

The fair values of unquoted investments have been estimated using indicative bids provided by the fund administrators, using of recent arm's length market transactions, current fair value of another similar instrument or other appropriate valuation techniques.

During the period ended 30 June 2020 and year ended 31 December 2019, there were no transfers between level 1 and level 2 of fair value hierarchy, and no transfers into and out of level 3 fair value hierarchy.

**Reconciliation of fair value measurements of Level 3 assets**

The Group has investment properties and certain unquoted investments classified as fair value through other comprehensive income which are classified as level 3 within the fair value hierarchy. The movements in the fair value of level 3 financial and non-financial assets are as follows:

	<i>Non-financial assets- investment property BD</i>	<i>Unquoted financial assets - Investments BD</i>	<i>Total BD</i>
1 January 2020 (Audited)	9,457,725	2,966,214	12,423,939
Change in fair values	-	(174,211)	(174,211)
At 30 June 2020 (Reviewed)	<u>9,457,725</u>	<u>2,792,003</u>	<u>12,249,728</u>
	<i>Non-financial assets BD</i>	<i>Financial assets - Investments BD</i>	<i>Total BD</i>
1 January 2019 (Audited)	9,457,725	2,850,799	12,308,524
Disposal during the year	-	(29,079)	(29,079)
Change in fair values	-	144,494	144,494
At 31 December 2019 (Audited)	<u>9,457,725</u>	<u>2,966,214</u>	<u>12,423,939</u>

**6 SHARE CAPITAL**

	<b>30 June June (Reviewed) BD</b>	<i>31 December December (Audited) BD</i>
<b>Authorised:</b>		
200,000,000 [31 December 2019 (Audited): 200,000,000] shares of BD 0.100 each	<u><b>20,000,000</b></u>	<u>20,000,000</u>
<b>Issued, subscribed and fully paid-up:</b>		
146,428,549 [31 December 2019 (Audited): 146,428,549] shares of BD 0.100 each	<u><b>14,642,854</b></u>	<u>14,642,854</u>

**7 DIVIDENDS**

At the annual general meeting of the shareholders held on 20 March 2020, the proposed final cash dividend of 30 fils per share, excluding treasury shares, amounting to BD 4,270,822 (30 June 2019: a final cash dividend of 30 fils per share, excluding treasury shares amounting to BD 4,270,822) was approved by the shareholders for distribution. Dividends of BD 323,891 [31 December 2019 (Audited): BD 1,022,759] which are not yet paid are included within trade and other payables in the interim consolidated statement of financial position.

The Board of Directors has not declared an interim cash dividend during the period (30 June 2019: 20 fils per share, excluding treasury shares, amounting to BD 2,847,215).



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 June 2020 (Reviewed)

**8 REVENUE FROM CONTRACTS WITH CUSTOMERS**

Set out below is the revenue from contracts with customers disaggregated by types of revenue, geographical market and timing of revenue recognition for the six-month periods ended 30 June 2020 and 30 June 2019.

	<i>Retail operations</i>		<i>Wholesales operations</i>		<i>Contract services and supply</i>		<i>Hospitality</i>		<i>Investment, shipping and other activities</i>		<i>Total</i>	
	<b>2020</b> <i>BD</i>	<i>2019</i> <i>BD</i>	<b>2020</b> <i>BD</i>	<i>2019</i> <i>BD</i>	<b>2020</b> <i>BD</i>	<i>2019</i> <i>BD</i>	<b>2020</b> <i>BD</i>	<i>2019</i> <i>BD</i>	<b>2020</b> <i>BD</i>	<i>2019</i> <i>BD</i>	<b>2020</b> <i>BD</i>	<i>2019</i> <i>BD</i>
<b>Types of revenue</b>												
Sales of goods	<b>19,434,870</b>	18,324,169	<b>19,239,810</b>	22,090,523	-	-	<b>553,894</b>	1,291,274	-	-	<b>39,228,574</b>	41,705,966
Catering and other services	-	-	-	-	<b>6,340,412</b>	6,267,908	<b>40,109</b>	84,995	-	-	<b>6,380,521</b>	6,352,903
Room services	-	-	-	-	-	-	<b>471,166</b>	1,104,360	-	-	<b>471,166</b>	1,104,360
Shipping services	-	-	-	-	-	-	-	-	<b>1,525,939</b>	1,309,808	<b>1,525,939</b>	1,309,808
Total revenue from contracts with customers	<b>19,434,870</b>	18,324,169	<b>19,239,810</b>	22,090,523	<b>6,340,412</b>	6,267,908	<b>1,065,169</b>	2,480,629	<b>1,525,939</b>	1,309,808	<b>47,606,200</b>	50,473,037
<b>Geographical markets</b>												
Bahrain	<b>17,072,642</b>	16,740,110	<b>19,239,810</b>	22,090,523	<b>2,707,102</b>	2,398,986	<b>1,065,169</b>	2,480,629	<b>1,525,939</b>	1,309,808	<b>41,610,662</b>	45,020,056
African countries	-	-	-	-	<b>3,633,310</b>	3,868,922	-	-	-	-	<b>3,633,310</b>	3,868,922
GCC and other Arab countries	<b>2,362,228</b>	1,584,059	-	-	-	-	-	-	-	-	<b>2,362,228</b>	1,584,059
Total revenue from contracts with customers	<b>19,434,870</b>	18,324,169	<b>19,239,810</b>	22,090,523	<b>6,340,412</b>	6,267,908	<b>1,065,169</b>	2,480,629	<b>1,525,939</b>	1,309,808	<b>47,606,200</b>	50,473,037
<b>Timing of revenue recognition</b>												
At point in time	<b>19,434,870</b>	18,324,169	<b>19,239,810</b>	22,090,523	-	-	<b>553,894</b>	1,291,274	-	-	<b>39,228,574</b>	41,705,966
Over the time	-	-	-	-	<b>6,340,412</b>	6,267,908	<b>511,275</b>	1,189,355	<b>1,525,939</b>	1,309,808	<b>8,377,626</b>	8,767,071
Total revenue from contracts with customers	<b>19,434,870</b>	18,324,169	<b>19,239,810</b>	22,090,523	<b>6,340,412</b>	6,267,908	<b>1,065,169</b>	2,480,629	<b>1,525,939</b>	1,309,808	<b>47,606,200</b>	50,473,037

At 30 June 2020 (Reviewed)

**9 SEASONALITY OF RESULTS**

Dividend income of BD 316,585 (30 June 2019: BD 494,184) included in investment income is of a seasonal nature.

**10 EARNINGS PER SHARE**

Earnings per share is computed by dividing the profit for the period attributable to ordinary equity holders of BMMI B.S.C. by the weighted average number of shares outstanding during the period, net of treasury shares. The following reflects the profit and share information used in the basic earnings per share computations:

	<i>Six-month period ended 30 June (Reviewed)</i>	
	<b>2020</b>	2019
Profit for the period attributable to ordinary shareholders of BMMI (BD)	<b>2,278,098</b>	3,704,108
Weighted average number of shares (shares, net of treasury shares)	<b>142,360,732</b>	142,360,732
Basic and diluted earnings per share (fils)	<b>16</b>	26

Basic and diluted earnings per share are the same as the Company has not issued any instruments that would have a dilutive effect. There have been no other transactions involving ordinary or potential ordinary shares between the reporting date and the date of approval of these interim condensed consolidated financial statements, that would have a dilutive effect.

**11 RELATED PARTY TRANSACTIONS**

Related parties represent the joint ventures, major shareholders, directors and key management personnel of the Group entities, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Transactions with related parties included in the interim consolidated statement of income during the period are as follows:

	<i>Six-month period ended 30 June 2020 (reviewed)</i>		<i>Six-month period ended 30 June 2019 (reviewed)</i>	
	<i>Revenue BD</i>	<i>Costs of revenue BD</i>	<i>Revenue BD</i>	<i>Costs of revenue BD</i>
Other related parties	<b>34,435</b>	<b>724,403</b>	13,905	664,145

Balances with related parties included in the interim consolidated statement of financial position are as follows:

	<i>As at 30 June 2020 (Reviewed)</i>			<i>As at 31 December 2019 (Audited)</i>		
	<i>Trade receivables BD</i>	<i>Due from BD</i>	<i>Trade and other payables BD</i>	<i>Trade receivables BD</i>	<i>Due from BD</i>	<i>Trade and other payables BD</i>
Joint ventures	-	556,080	-	-	472,864	-
Other related parties	11,895	-	188,356	20,611	-	184,715
	<b>11,895</b>	<b>556,080</b>	<b>188,356</b>	<b>20,611</b>	<b>472,864</b>	<b>184,715</b>

At 30 June 2020 (Reviewed)

**11 RELATED PARTY TRANSACTIONS (continued)****Terms and conditions:**

Outstanding balances as at 30 June 2020 and as at 31 December 2019 are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the six-month period ended 30 June 2020 and 30 June 2019, the Group has not recorded any allowance for expected credit losses relating to amounts owed by related parties as the credit risk associated with the amounts due from related parties is considered to be low.

**Ownership interest**

The details of the total ownership interest held by the directors are as follows:

	<b>30 June 2020 (Reviewed)</b>	<i>31 December 2019 (Audited)</i>
Number of shares	<b>3,746,408</b>	4,665,110
Percentage of holding	<b>2.559%</b>	3.186%

**Remuneration of key management personnel**

Key management personnel are those persons having responsibility for planning, directing and controlling the activities of the Group. The key management personnel comprise members of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer and the Chief Operating Officer and their remuneration is as follows:

	<i>Six-month period ended 30 June (Reviewed)</i>	
	<b>2020</b>	<i>2019</i>
	<b>BD</b>	<i>BD</i>
Short-term benefits	<b>595,662</b>	389,366
Employees' end of service benefits	<b>34,302</b>	16,518
	<b>629,964</b>	405,884

Included in short term benefits is directors' fees of BD 96,750 (2019: BD 69,500).

**12 CONTINGENCIES AND COMMITMENTS****Contingencies**

The Group had contingencies in the form of bank guarantees issued in the ordinary course of business amounting to BD 2,963,098 [31 December 2019 (Audited): BD 2,864,579] as at 30 June 2020, from which it is anticipated that no material liabilities will arise.

**Purchase commitments**

Commitments relating to confirmed purchase orders, in the normal course of business, as of 30 June 2020 amounted to BD 1,823,907 [31 December 2019 (Audited): BD 2,691,876].

### 13 OPERATING SEGMENTS

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services provided. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

For management purposes, the Group is organised into five operating segments:

Retail operations - Retail sales of food, beverages and other consumer products.

Wholesales operations - Distribution of food, beverages and other consumer products.

Contract services and supply - Contract supply of food, beverages and other consumer products and related services.

Hospitality - This consist of the Group's hotel and restaurants business.

Investments, shipping and other activities - This consist of investment properties, investments, group's shipping services, bank balances, and certain payables that are managed at a Group level.

Management monitors the operating results of the operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating results and is measured consistently with operating results in the interim condensed consolidated financial statements.

Transfer prices between operating segments are approved by management, and are eliminated on consolidation.

BMMI B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2020 (Reviewed)

13 OPERATING SEGMENTS (continued)

Six-month period ended 30 June (Reviewed)

	<i>Retail operations</i>		<i>Wholesales operations</i>		<i>Contract services and supply</i>		<i>Hospitality</i>		<i>Investment, shipping and other activities</i>		<i>Adjustments and eliminations</i>		<i>Total</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>
Revenue - external customers	19,434,870	18,324,169	19,239,810	22,090,523	6,340,412	6,267,908	1,065,169	2,480,629	1,525,939	1,309,808	-	-	47,606,200	50,473,037
Revenue - inter-segment	-	-	561,676	323,966	-	-	5,402	24,498	2,611,955	2,700,180	(3,179,033)	(3,048,644)	-	-
Costs of revenue	(13,573,080)	(12,065,522)	(16,539,500)	(17,781,619)	(5,292,068)	(4,518,148)	(514,843)	(860,382)	(3,705,131)	(3,558,117)	3,179,033	3,048,644	(36,445,589)	(35,735,144)
<b>Gross profit</b>	<b>5,861,790</b>	<b>6,258,647</b>	<b>3,261,986</b>	<b>4,632,870</b>	<b>1,048,344</b>	<b>1,749,760</b>	<b>555,728</b>	<b>1,644,745</b>	<b>432,763</b>	<b>451,871</b>	<b>-</b>	<b>-</b>	<b>11,160,611</b>	<b>14,737,893</b>
Other operating income	838,165	461,859	358,538	18,308	31,149	26,091	142,609	238	803,132	853,657	(111,000)	(315,977)	2,062,593	1,044,176
Net investment income	-	-	-	-	-	-	-	-	390,982	553,610	-	-	390,982	553,610
Share of results of joint ventures	-	-	-	-	(37,972)	(55,464)	-	-	19,000	6,469	-	-	(18,972)	(48,995)
Gain (loss) on investments carried at FVTPL	-	-	-	-	-	-	-	-	(68,033)	11,424	-	-	(68,033)	11,424
Other expenses, excluding depreciation and income tax expense	(2,490,227)	(2,736,201)	(3,009,641)	(2,965,876)	(770,626)	(1,433,593)	(857,325)	(1,502,096)	(1,846,021)	(1,674,310)	-	-	(8,973,840)	(10,312,076)
Depreciation	(663,520)	(678,088)	(146,419)	(130,698)	(182,107)	(50,029)	(1,085,479)	(1,105,525)	(201,408)	(216,709)	-	-	(2,278,933)	(2,181,049)
Finance costs	(3,027)	(22,484)	(9,800)	(11,882)	(27,833)	-	(391,186)	(813,580)	(391,663)	(318,140)	111,000	315,977	(712,509)	(850,109)
Income tax expense	-	-	-	-	(54,886)	(21,715)	-	-	-	-	-	-	(54,886)	(21,715)
<b>Profit (loss) for the period</b>	<b>3,543,181</b>	<b>3,283,733</b>	<b>454,664</b>	<b>1,542,722</b>	<b>6,069</b>	<b>215,050</b>	<b>(1,635,653)</b>	<b>(1,776,218)</b>	<b>(861,248)</b>	<b>(332,128)</b>	<b>-</b>	<b>-</b>	<b>1,507,013</b>	<b>2,933,159</b>
Of which loss attributable to non-controlling interests	-	-	-	-	-	-	771,085	770,949	-	-	-	-	771,085	770,949
<b>Profit (loss) attributable to BMMI</b>	<b>3,543,181</b>	<b>3,283,733</b>	<b>454,664</b>	<b>1,542,722</b>	<b>6,069</b>	<b>215,050</b>	<b>(864,568)</b>	<b>(1,005,269)</b>	<b>(861,248)</b>	<b>(332,128)</b>	<b>-</b>	<b>-</b>	<b>2,278,098</b>	<b>3,704,108</b>
<b>Capital expenditure</b>	<b>81,350</b>	<b>39,272</b>	<b>128,676</b>	<b>34,783</b>	<b>4,910,262</b>	<b>250,590</b>	<b>17,446</b>	<b>28,323</b>	<b>180,507</b>	<b>260,900</b>	<b>-</b>	<b>-</b>	<b>5,318,241</b>	<b>613,868</b>

The following table presents segment assets and liabilities as at 30 June 2020 and as at 31 December 2019:

	<i>Retail and operations</i>		<i>Wholesales operations</i>		<i>Contract services and supply</i>		<i>Hospitality</i>		<i>Investment, shipping and other activities</i>		<i>Adjustments and eliminations</i>		<i>Total</i>	
	<i>30 June</i>	<i>31 December</i>	<i>30 June</i>	<i>31 December</i>	<i>30 June</i>	<i>31 December</i>	<i>30 June</i>	<i>31 December</i>	<i>30 June</i>	<i>31 December</i>	<i>30 June</i>	<i>31 December</i>	<i>30 June</i>	<i>31 December</i>
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>(Reviewed)</i>	<i>(Audited)</i>	<i>(Reviewed)</i>	<i>(Audited)</i>	<i>(Reviewed)</i>	<i>(Audited)</i>	<i>(Reviewed)</i>	<i>(Audited)</i>	<i>(Reviewed)</i>	<i>(Audited)</i>	<i>(Reviewed)</i>	<i>(Audited)</i>	<i>(Reviewed)</i>	<i>(Audited)</i>
	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>
<b>Operating assets</b>	<b>6,233,297</b>	<b>6,229,852</b>	<b>18,689,724</b>	<b>19,373,489</b>	<b>11,827,288</b>	<b>11,002,171</b>	<b>37,628,216</b>	<b>38,948,777</b>	<b>69,911,498</b>	<b>69,048,714</b>	<b>(23,616,825)</b>	<b>(26,112,477)</b>	<b>120,673,198</b>	<b>118,490,526</b>
<b>Operating liabilities</b>	<b>3,357,856</b>	<b>2,346,825</b>	<b>4,338,855</b>	<b>6,700,946</b>	<b>5,393,292</b>	<b>4,822,755</b>	<b>19,762,921</b>	<b>34,202,486</b>	<b>19,843,663</b>	<b>17,238,477</b>	<b>782,196</b>	<b>(18,137,665)</b>	<b>53,478,783</b>	<b>47,173,824</b>

Inter-segment transactions are eliminated upon consolidation and reflected in the "Adjustments and elimination" column.

**(The attached financial information do not form part of the interim condensed consolidated financial statements)**

At 30 June 2020

**BMMI Supplementary Public Disclosure - Financial Impact of COVID-19**

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 Q2 and continues to do so. The key domestic impact is with the closure of the hospitality sector and the closure of the Saudi Causeway. 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 for the six-month period ended 30 June 2020.

<b>Revenue</b>	<p>With the closure of Saudi Causeway and Beverages Retail outlets, the BMMI Shops witnessed drop in revenue of BD 6.4 million.</p> <p>Alosra retail shops noted a surge in sales due to COVID induced panic buy of BD 1.8 million.</p> <p>Bayader restaurants have remained closed since the beginning of pandemic and has lost estimated sales of BD 450 thousand.</p> <p>Banader Hotel noted significant reduction in occupancy rates and has loss an estimated sales of BD 1 million.</p>
<b>Other income</b>	<p>Investment income fell by BD 20 thousand as direct impact of the Companies declaring lower dividend in lieu of the Pandemic.</p> <p>Rental income fell by BD 12 thousand as rent concessions were offered by the management as COVID relief to the tenants.</p>
<b>Other expense</b>	<p>The Pandemic resulted in several novel expenses in the Group:</p> <ul style="list-style-type: none"><li>• Information Technology - To facilitate remote working, several upgrades were introduced costing BD 50 thousand.</li><li>• Facilities Management - Sanitization and employee hygiene measures in the workplace costing BD 54 thousand.</li></ul>
<b>Government support</b>	<p>Government rendered several pandemic reliefs to the corporates. The impact on BMMI is below:</p> <ul style="list-style-type: none"><li>• Bahraini Salary Support of BD 610 thousand.</li><li>• Utility Support of BD 117 thousand.</li><li>• Loan repayment exemption resulted in a cashflow impact of BD 783 thousand and income impact of BD 44 thousand .</li></ul>
<b>Net profit</b>	<p>The impact of the above has resulted in decrease in consolidated profit of the Group by approximately BD 2 million for the six-month period ended 30 June 2020.</p>

At 30 June 2020

**BMMI Supplementary Public Disclosure - Financial Impact of COVID-19 (continued)**

**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 ability to continue as a going concern. 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 condensed consolidated financial statements for the six-month period ended 30 June 2020 have been prepared on a going concern basis.