

**Nass Corporation BSC**  
**CONDENSED CONSOLIDATED INTERIM**  
**FINANCIAL INFORMATION**  
**30 September 2021**

**Nass Corporation BSC**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
for the nine months ended 30 September 2021**

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**GENERAL INFORMATION**

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Commercial registration	60037
Head office	P.O. Box 669, Manama Kingdom of Bahrain
Chairman	Mr. Sameer Abdulla Nass
Deputy Chairman	Mr. Sami Abdulla Nass
Director	Mr. Adel Abdulla Nass
Director	Mr. Ghazi Abdulla Nass
Director	Mr. Fawzi Abdulla Nass
Director	Mr. Bashar Sameer Nass
Director	Mr. Jamal A Al Hazeem
Director	Mr. Hisham Al Saie
Director	Mr. Hemant Joshi
Director	Dr. Mustafa Al Sayed (Retired 30 March 2021)
Director	Mr. Abdulla Nooruddin (Elected 30 March 2021)
Bankers	HSBC Bank Middle East Standard Chartered Bank BNP Paribas BBK Ahli United Bank Bahrain Islamic Bank State Bank of India Arab Bank Kuwait Finance House AISalam Bank
Company Secretary	Mr. Srinath Prabhu
Corporate Governance Officer	Mr. Ramesh Panigrahi
Auditors	KPMG Fakhro



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Audit  
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## **INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

The Board of Directors  
Nass Corporation BSC  
Manama, Kingdom of Bahrain

### **Introduction**

We have reviewed the accompanying 30 September 2021 condensed consolidated interim financial information of Nass Corporation BSC (the "Company") and its subsidiaries (together the "Group"), which comprises:

- the condensed consolidated statement of financial position as at 30 September 2021;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2021;
- the condensed consolidated statement of changes in equity for the nine-month period ended 30 September 2021;
- the condensed consolidated statement of cash flows for the nine-month period ended 30 September 2021; and
- notes to the condensed consolidated interim financial information.

The Board of Directors of the Company is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

### **Scope of review**

We conducted our review in accordance with the 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 30 September 2021 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

11 November 2021

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**as at 30 September 2021**

Bahraini Dinars '000

	Note	30 September 2021 (reviewed)	31 December 2020 (audited)
<b>ASSETS</b>			
Property, plant and equipment		26,114	28,120
Right-of-use assets		4,490	4,915
Equity accounted investees		997	1,665
Other assets		-	283
<b>Total non-current assets</b>		<b>31,601</b>	<b>34,983</b>
Inventories		7,242	6,963
Trade and other receivables	7	54,448	58,972
Contract assets	8	24,041	36,236
Due from related parties	9	1,060	2,814
Deposits with banks		2,858	3,982
Cash and bank balances		11,677	7,225
<b>Total current assets</b>		<b>101,326</b>	<b>116,192</b>
<b>Total assets</b>		<b>132,927</b>	<b>151,175</b>
<b>EQUITY</b>			
Share capital		22,000	22,000
Treasury shares		(1,597)	(1,597)
Statutory reserve		8,767	8,767
Retained earnings		9,749	24,701
Donations and charity reserve		48	56
<b>Equity attributable to owners of the Company</b>		<b>38,967</b>	<b>53,927</b>
Non-controlling interest		1,719	2,379
<b>Total equity</b>		<b>40,686</b>	<b>56,306</b>
<b>Liabilities</b>			
Lease liabilities		3,360	3,506
Bank loans		6,707	7,482
Employee benefits		6,992	6,894
<b>Total non-current liabilities</b>		<b>17,059</b>	<b>17,882</b>
Trade and other payables	10	30,716	34,313
Lease liabilities		1,300	1,510
Contract liabilities		14,134	8,131
Employee benefits		3,789	3,871
Due to related parties	9	7,576	9,104
Bills payable		2,445	2,929
Bank loans		2,185	2,272
Bank overdrafts		13,037	14,857
<b>Total current liabilities</b>		<b>75,182</b>	<b>76,987</b>
<b>Total liabilities</b>		<b>92,241</b>	<b>94,869</b>
<b>Total equity and liabilities</b>		<b>132,927</b>	<b>151,175</b>

The condensed consolidated interim financial information was approved by the Board of Directors on 11 November 2021 and signed on its behalf by:

  
 Sameer Abdulla Nass  
 Chairman

  
 Sami Abdulla Nass  
 Deputy Chairman

The accompanying notes 1 to 15 are integral part of the condensed consolidated interim financial information.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

for the nine months ended 30 September 2021

Bahraini Dinars'000

	Note	Nine months ended 30 September		Three months ended 30 September	
		2021 (reviewed)	2020 (reviewed)	2021 (reviewed)	2020 (reviewed)
Revenue	11	68,212	103,885	24,323	37,222
Cost of sales		(65,418)	(97,634)	(23,663)	(33,714)
<b>Gross profit</b>		<b>2,794</b>	6,251	<b>660</b>	3,508
Other operating income, net		1,132	448	531	127
Government assistance		441	2,361	219	551
General and administrative expenses	12	(9,708)	(9,556)	(4,096)	(1,162)
Impairment allowance on trade and other receivables and contract assets, net		(8,853)	(1,284)	(4,319)	(306)
Finance income		47	76	15	38
Finance costs		(804)	(897)	(245)	(297)
Share of profit of equity-accounted investees, net		57	59	50	33
<b>(Loss)/ profit for the period</b>		<b>(14,894)</b>	(2,542)	<b>(7,185)</b>	2,492
<b>Other comprehensive income</b>		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>(14,894)</b>	(2,542)	<b>(7,185)</b>	2,492
<b>Attributable to:</b>					
Shareholders of the Company		(14,952)	(3,149)	(7,154)	2,257
Non-controlling interest		58	607	(31)	235
		<b>(14,894)</b>	(2,542)	<b>(7,185)</b>	2,492
<b>Earnings per share</b>					
Basic earnings per share (Fils)		<b>(69.52)</b>	(14.64)	<b>(33.26)</b>	10.49

The accompanying notes 1 to 15 are integral part of the condensed consolidated interim financial information.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
for the nine months ended 30 September 2021

Bahraini Dinars '000

	Attributable to shareholders of the Company						Non-controlling interest	Total equity
	Share capital	Treasury shares	Statutory reserve	Retained earnings	Donations and charity reserve	Total		
2021 (reviewed)								
At 1 January 2021	22,000	(1,597)	8,767	24,701	56	53,927	2,379	56,306
(Loss)/ profit and total comprehensive income for the period	-	-	-	(14,952)	-	(14,952)	58	(14,894)
Dividend declared for 2020	-	-	-	-	-	-	(718)	(718)
Utilization of donation and charity reserve	-	-	-	-	(8)	(8)	-	(8)
<b>At 30 September 2021</b>	<b>22,000</b>	<b>(1,597)</b>	<b>8,767</b>	<b>9,749</b>	<b>48</b>	<b>38,967</b>	<b>1,719</b>	<b>40,686</b>

The accompanying notes 1 to 15 are integral part of the condensed consolidated interim financial information.

Bahraini Dinars '000

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**for the nine months ended 30 September 2021 (continued)**

	Attributable to equity holders of the parent							Non-controlling interest	Total equity
	Share capital	Treasury shares	Statutory reserve	Retained earnings	Donations and charity reserve	Total			
2020 (reviewed)									
At 1 January 2020	22,000	(1,597)	8,767	27,523	64	56,757	2,280	59,037	
(Loss)/ profit and total comprehensive income for the period	-	-	-	(3,149)	-	(3,149)	607	(2,542)	
Dividend declared for 2019	-	-	-	-	-	-	(685)	(685)	
Utilization of donation and charity reserve	-	-	-	-	(7)	(7)	-	(7)	
At 30 September 2020	22,000	(1,597)	8,767	24,374	57	53,601	2,202	55,803	

The accompanying notes 1 to 15 are integral part of the condensed consolidated interim financial information.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**for the nine months ended 30 September 2021**

Bahraini Dinars '000

	<b>Nine months ended 30 September</b>	
	<b>2021 (reviewed)</b>	<b>2020 (reviewed)</b>
<b>Cash flows from operating activities</b>		
Loss for the period before non-controlling interest	(14,894)	(2,542)
<i>Adjustments for:</i>		
Depreciation on property, plant and equipment	4,695	4,951
Depreciation on right of use assets	1,409	1,758
Impairment of trade and other receivables, net	4,039	1,078
Impairment on contract assets	4,813	146
Impairment on property, plant and equipment and other assets	463	256
Amortization of held to maturity investment	-	3
Gain on disposal of property, plant and equipment	(805)	(181)
Loss on disposal of investment properties	-	60
Share of profit from equity accounted investments, net	(57)	(59)
Employee benefits	2,455	3,023
<i>Changes in:</i>		
Inventories	(279)	2,372
Trade and other receivables	7,024	6,670
Contract assets	7,382	183
Due from related parties	683	937
Trade and other payables	(3,868)	(1,965)
Contract liabilities	535	(3,448)
Employee benefits	(2,439)	(2,655)
Due to related parties	(1,383)	(626)
Bills payable	(484)	920
<b>Net cash generated from operating activities</b>	<b>9,289</b>	<b>10,881</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(3,378)	(7,480)
Proceeds from sale of property, plant and equipment	886	406
Proceeds from sale of investment properties	-	1,025
Dividend from equity accounted investee	725	-
Movement on deposits with banks	(391)	(780)
Maturity proceeds of other assets	283	-
<b>Net cash used in investing activities</b>	<b>(1,875)</b>	<b>(6,829)</b>
<b>Cash flows from financing activities</b>		
Proceeds from bank loans	610	5,092
Repayment of bank loans	(1,472)	(1,306)
Payment of lease liabilities	(1,228)	(1,338)
Dividends paid to non-controlling shareholders	(559)	(2,260)
Donations paid	(8)	(7)
<b>Net cash (used in)/ generated from financing activities</b>	<b>(2,657)</b>	<b>181</b>
<b>Net increase in cash and cash equivalents</b>	<b>4,757</b>	<b>4,233</b>
Cash and cash equivalents at 1 January	(4,954)	(5,941)
<b>Cash and cash equivalents at 30 September</b>	<b>(197)</b>	<b>(1,708)</b>
<i>Represented by:</i>		
Cash and bank balances	11,677	9,091
Short term bank deposits maturing within 90 days	1,163	2,774
Bank overdrafts	(13,037)	(13,573)
	<b>(197)</b>	<b>(1,708)</b>

The accompanying notes 1 to 15 are integral part of the condensed consolidated interim financial information.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
for the nine months ended 30 September 2021**

Bahraini Dinars '000

**1. REPORTING ENTITY**

Nass Corporation B.S.C. (the "Company") is a public shareholding Company listed on the Bahrain Bourse incorporated and registered in Bahrain on 9 March 2006 under commercial registration number 60037.

The Company and its subsidiaries (together the "Group") are mainly engaged in civil engineering, mechanical and electrical contracting, manufacture and supply of manpower to related contracting activities. It is also involved in the sale of ready mixed concrete, ice blocks, spare parts, foodstuff, and general trading and undertakes contracts relating to precast concrete and water supply.

The condensed consolidated interim financial information ("interim financial information") as at and for the nine-month period ended 30 September 2021 includes the results of the Company and its subsidiaries (together referred to as the "Group").

**2. BASIS OF PREPARATION****a) Statement of compliance**

The condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard 34 – '*Interim Financial Reporting*', which allows the condensed consolidated interim financial information to be prepared in condensed form. The condensed consolidated interim financial information does not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2020. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2020.

*Comparative information*

The condensed consolidated interim financial information is reviewed, not audited. The corresponding figures for the condensed consolidated statement of financial position have been extracted from the Group's audited consolidated financial statements for the year ended 31 December 2020 and the corresponding figures for the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows have been extracted from the Group's 30 September 2020 reviewed condensed consolidated interim financial information.

**b) Judgments and estimates**

The preparation of condensed consolidated interim financial information requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements of the Group for the year ended 31 December 2020.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied by the Group in the preparation of the condensed consolidated interim financial information are consistent with those applied in the preparation of the last audited consolidated financial statements of the Group for the year ended 31 December 2020, except for the adoption of relevant new standards, amendments and interpretations that are effective for annual periods beginning on or after 1 January 2021. The adoption of these new standards / amendments did not have a significant impact on the condensed consolidated interim financial information.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
for the nine months ended 30 September 2021**

Bahraini Dinars '000

**4. FINANCIAL RISK MANAGEMENT**

The Group's financial risk management objectives and policies are consistent with those disclosed in the Group's audited consolidated financial statements for the year ended 31 December 2020.

**5. SEASONALITY OF OPERATIONS**

Due to the nature of the Group's operations, the results reported in the condensed consolidated interim financial information may not represent a proportionate share of the overall annual results.

**6. APPROPRIATIONS**

Appropriations for the current year if any, will be made at the year end. At the Annual General Meeting (AGM) for the year 2020 held on 30 March 2021, no appropriations were made.

**7. TRADE AND OTHER RECEIVABLES**

	<b>30 September 2021 (reviewed)</b>	<b>31 December 2020 (audited)</b>
Trade receivables	41,458	39,938
Retention receivables	19,731	20,395
Advances to suppliers and sub-contractors	2,252	3,767
Prepaid expenses	302	250
Other receivables	1,749	3,762
	<b>65,492</b>	<b>68,112</b>
Allowance for impairment losses	(11,044)	(9,140)
	<b>54,448</b>	<b>58,972</b>

Movement on impairment allowance is as follows:

	<b>2021 (reviewed)</b>	<b>2020 (audited)</b>
At beginning of the period	9,140	8,231
Charge for the period, net	2,968	936
Write off	(1,064)	-
Transfer	-	(27)
<b>At end of the period</b>	<b>11,044</b>	<b>9,140</b>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
**for the nine months ended 30 September 2021**

Bahraini Dinars '000

**8. CONTRACT ASSETS**

	<b>2021 (reviewed)</b>	2020 (audited)
Cost incurred plus attributable profits on contracts-in-progress	261,051	300,133
Progress billings made towards contracts-in-progress	(236,137)	(262,815)
	<b>24,914</b>	37,318
Allowance for impairment losses	(873)	(1,082)
	<b>24,041</b>	36,236

Movement on impairment allowance is as follows:

	<b>2021 (reviewed)</b>	2020 (audited)
At beginning of the period	1,082	381
Charge for the period, net	4,813	701
Write off during the period	(5,022)	-
<b>At end of the period</b>	<b>873</b>	1,082

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
for the nine months ended 30 September 2021**

Bahraini Dinars '000

**9. RELATED PARTY TRANSACTIONS**

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation. Details of transactions between the Group and other related parties are disclosed below.

Related party	Sales/ revenues		Purchase and operating expenses			Amount due from		Amount due to	
	Nine months ended		30			30		30	
	30 September 2021 (reviewed)	30 September 2020 (reviewed)	30 September 2021 (reviewed)	30 September 2020 (reviewed)	30 September 2021 (reviewed)	31 December 2020 (audited)	30 September 2021 (reviewed)	31 December 2020 (audited)	
A.A. Nass & Sons WLL and its related parties Joint ventures	1,083 32	1,496 129	7,298 4	13,277 5	836* 224	2,337* 477	7,288 288	8,813 291	
<b>Total</b>	<b>1,115</b>	<b>1,625</b>	<b>7,302</b>	<b>13,282</b>	<b>1,060</b>	<b>2,814</b>	<b>7,576</b>	<b>9,104</b>	

\*Amount due from A.A. Nass & Sons WLL and its related parties is net of impairment of BD 2,554 (31 December 2020: BD 1,483).

Interest in joint ventures of BD 513 (31 December 2020: BD 1,166) represents the accumulated capital, share of profits less distribution received from the joint venture projects.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The key management personnel comprise members of the Board of Directors, the Divisional Managers, the General Managers and their compensation is as follows:

Short-term benefits  
Termination benefits

30 September 2021 (reviewed)	30 September 2020 (reviewed)
2,070	2,109
33	31
<b>2,103</b>	<b>2,140</b>

The short-term compensation includes management fees of BD 1,170 (2020: BD 1,182) payable to A.A. Nass & Sons W.L.L. and board attendance fees of BD 144 (2020: BD 154).

Directors' interest in the shares of the Company was as follows:

30 September 2021 (reviewed)	31 December 2020 (audited)
<b>94,150,000</b>	<b>94,153,230</b>
<b>43.78</b>	<b>43.78</b>

Total number of shares held by Directors\*

As a percentage of the total number of shares outstanding

\* The shares held by Directors are in their individual capacity.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
**for the nine months ended 30 September 2021**

Bahraini Dinars '000

**10. TRADE AND OTHER PAYABLES**

	<b>30 September 2021 (reviewed)</b>	<b>31 December 2020 (audited)</b>
Trade payables	9,496	11,538
Accrued expenses	14,042	15,246
Unclaimed dividends	50	50
Retention payables	4,772	4,946
Other payables	2,356	2,533
	<b>30,716</b>	<b>34,313</b>

**11. REVENUE**

	<b>Nine months ended 30 September</b>	
	<b>2021 (reviewed)</b>	<b>2020 (reviewed)</b>
Contract income	43,017	72,184
Sales of goods	20,305	26,701
Hire income	4,890	5,000
	<b>68,212</b>	<b>103,885</b>

**12. GENERAL AND ADMINISTRATIVE EXPENSES**

	<b>Nine months ended 30 September</b>	
	<b>2021 (reviewed)</b>	<b>2020 (reviewed)</b>
Salaries of administrative staff	4,229	4,265
Management fees	1,170	1,112
Professional fees	1,315	509
Depreciation	698	690
Commission paid	164	126
Vehicle expenses	280	271
Rent, electricity and water	113	160
Communication	115	150
Directors' sitting fee	144	223
Impairment on property, plant and equipment and other assets	463	256
Inventory loss due to fire	-	82
COVID-19 related expenses	400	1,041
Other expenses	617	671
	<b>9,708</b>	<b>9,556</b>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
for the nine months ended 30 September 2021

Bahraini Dinars '000

**13. OPERATING SEGMENTS**

The Group is organised into two operating divisions - Construction and Allied Activities and Trading Activities.

*The Construction and Allied Activities* are civil engineering works, mechanical fabrication and maintenance contracts, scaffolding and formwork, readymix concrete, precast, floor and roof slabs, electrical and instrumentation contracting.

*The Trading Activities* are supply of washed sand, sweet water, import and wholesaler of frozen foods, agents for equipment and material manufacturers.

	Construction and allied activities		Trading activities			Eliminations			Consolidated	
	2021 (reviewed)	2020 (reviewed)	Nine months ended 30 September			2021 (reviewed)	2020 (reviewed)	2020 (reviewed)	2021 (reviewed)	2020 (reviewed)
			2021 (reviewed)	2020 (reviewed)	2021 (reviewed)					
<b>REVENUE</b>										
External sales	58,963	94,449	9,249	9,436	-	-	-	68,212	103,885	-
Inter-segment sales	7,423	10,174	2,859	4,371	(10,282)	(14,545)	(14,545)	-	-	-
<b>Total revenue</b>	<b>66,386</b>	<b>104,623</b>	<b>12,108</b>	<b>13,807</b>	<b>(10,282)</b>	<b>(14,545)</b>	<b>(14,545)</b>	<b>68,212</b>	<b>103,885</b>	
Segment result	(13,584)	(1,086)	(1,191)	(210)	(8)	(79)	(79)	(14,783)	(1,375)	
Other gains and losses	1,106	507	129	76	-	-	-	1,235	583	
Unallocated corporate expenses	-	-	-	-	-	-	-	(1,346)	(1,750)	
<b>Loss for the period</b>								<b>(14,894)</b>	<b>(2,542)</b>	

**Other Information**

	Construction & Allied Activities		Trading Activities		Consolidated	
	30 September 2021 (reviewed)	31 December 2020 (audited)	30 September 2021 (reviewed)	31 December 2020 (audited)	30 September 2021 (reviewed)	31 December 2020 (audited)
Capital expenditure	1,913	5,874	1,465	2,732	3,378	8,606
Depreciation & impairment	5,253	7,523	1,314	1,157	6,567	8,680
Total assets	117,277	133,829	15,650	17,346	132,927	151,175
Total liabilities	84,256	87,149	7,985	7,720	92,241	94,869
<b>Total net assets</b>	<b>33,021</b>	<b>46,680</b>	<b>7,665</b>	<b>9,626</b>	<b>40,686</b>	<b>56,306</b>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
**for the nine months ended 30 September 2021**

Bahraini Dinars '000

**14. COMMITMENTS AND CONTINGENCIES**

	<b>30 September 2021 (reviewed)</b>	<b>31 December 2020 (audited)</b>
Guarantees	<b>83,383</b>	73,541
Letters of credit	<b>582</b>	322
Capital commitments	<b>348</b>	661

The banks have provided guarantees (performance, retention, financial and others related to contracting activities) amounting to BD 83,383 (31 December 2020: BD 73,541) for the various divisions and subsidiaries of the Group.

**15. COVID-19 IMPACT**

On 11 March 2020, the Coronavirus (COVID-19) outbreak was declared a pandemic by the World Health Organization (WHO) and has rapidly evolved globally, which continued in 2021. This has resulted in a global economic slowdown with uncertainties in the economic environment. Global equity and commodity markets have also experienced great volatility and a significant drop in prices. Since the outbreak, the authorities have taken various measures to contain the spread including implementation of travel restrictions and quarantine measures.

The management and the Board of Directors have continued to monitor the COVID-19 developments and its impact on the Group's operations and financial position; including possible loss of revenue, impact on asset valuations, impairment, review of onerous contracts and debt covenants, outsourcing arrangements etc. The Board of Directors, in response to the outbreak, has also put in place contingency measures, which include but are not limited to enhancing and testing of business continuity plans and various other risk management practices including the Group's liquidity requirements.

The Board of Directors has considered the potential impacts of the current economic downturn and uncertainty involved in the determination of the reported amounts of the Group's financial and non-financial assets and liabilities in this condensed consolidated interim financial information, and they are considered to represent management's best assessment based on available and observable information. Based on their assessment, the Board of Directors is of the view that the Group will continue as a going concern entity for the next 12 months from the date of this condensed consolidated interim financial information.

**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, which continued in 2021. This has resulted in a global economic slowdown with uncertainties in the economic environment. Global equity and commodity markets have also experienced great volatility and a significant drop in prices. Authorities have taken various measures to contain the spread including implementation of travel restrictions and quarantine measures. The pandemic as well as the resulting measures and policies have had some impact on the Group. The Group is actively monitoring the COVID-19 situation, and in response to this outbreak, has activated its business continuity plan and various other risk management practices to manage the potential business disruption on its operations and financial performance.

The overall impact of COVID-19 on the condensed consolidated interim financial information as assessed by the Group is as below:

Productivity impact on projects due to work suspension, delays etc. post emergence of COVID-19	242
Expenses incurred on sanitizers, masks, gloves, disinfection, quarantine facilities etc.	212
Government assistance for reimbursement of salaries of Bahraini employees	(441)
<b>Net impact</b>	<b>13</b>

The above supplementary information is provided to comply with the CBB circular number OG/259/2020 (Reporting on financial impact of COVID-19), dated 14<sup>th</sup> July 2020.

The above disclosure should not be interpreted 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 is still evolving, the above impact is as of the date of preparation of this information. Circumstances may change which may result in the information to be out-of-date. In addition, this information does not represent the exact full comprehensive assessment of COVID-19 impact on the Group. This information is not subject to a formal review by the external auditors.