

SUPPLEMENTARY DISCLOSURE REPORTING OF FINANCIAL IMPACT OF COVID-19 AS AT 31 DECEMBER 2021

Date: 27 February 2022
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The initial outbreak of COVID-19 in Bahrain in February 2020, followed by the declaration of the World Health Organisation of the COVID-19 as a global pandemic, resulted in significant global short-term and long-term implications, the full extent and scale of which remains indeterminable. Due to the unprecedented nature of the pandemic, mass official precautionary measures and directives were issued both locally and globally to combat the spread of COVID-19, including but not limited to, travel restrictions, isolation and quarantine procedures, full and/or partial cessation of certain commercial activities, enhanced disinfection procedures for public places and commercial outlets and the heralding of specific ministerial and/or government resolutions to this effect.

Seef Properties B.S.C. ("**Company**") and its subsidiaries, affiliates and joint venture companies (collectively, the "**Group**") operate within the retail, hospitality and entertainment sectors, all of which have been significantly affected by this pandemic. The Group has accordingly benefited from the commendable economic stimulus packages introduced by the Government of the Kingdom of Bahrain during 2020 and 2021, which included wage support for Bahrainis in the private sector, payment of utilities (electricity and water), exemption from municipality and Labour Market Regulatory Authority (LMRA) fees, suspension of tourism levies, postponement of loan installments for individuals and businesses and targeted Tamkeen support, amongst others.

While the full extent of the financial impact cannot be concluded with certainty at this time due to the ongoing volatility of the situation and the market fluctuations, the following is a narrative of the key areas of impact on the Group's operations and financial performance as of 31 December 2021:

1. The Group recognised a reduction of expenses to the extent of support provided by the Government during 2021 in addition to the successful implementation of a transitional strategy of cost reduction across its operations.
2. The Company reported a net profit attributable to the parent of BD 5.02 million for the financial year ended 31 December 2021, compared to BD 4.52 million last year, with an increase of 10.91%. This increase when compared to last year is mainly attributable to the following:
 - a. COVID-19 related tenant support provided to the tenants across the Group during 2021 was lower compared to last year.
 - b. The hospitality sector witnessing near-normal operational levels for the majority of the of the year compared to 2020, resulting in additional revenue to the Group from such sector.
 - c. The entertainment sector witnessing longer periods of operation with various capacities for the majority of 2021 compared to 2020, resulting in additional revenue to the Group from such sector.
3. The Group registered an increase of 3.80% in the value of its total assets to reach BD 179.87 million for 2021 compared to BD 173.28 million in 2020.

A financial summary of the estimated COVID-19 impact on the consolidated financial statement for the financial year ended 31 December 2021 is as follows:

	IMPACT	AMOUNT (BD)
Revenue (retail, hospitality and entertainment)	Negative	(1,793,652)
Government Subsidy	Positive	225,396
Net Impact	Negative	(1,568,256)

Note:

This Supplementary Disclosure is issued in compliance with the Central Bank of Bahrain Circular dated 14 July 2020 (Ref: OG/259/2020) relating to the reporting of financial impact of COVID-19, and should not be construed or considered as an indication of the results for the entire year or relied upon for any other purpose. Due to the evolving and unpredictable nature of the COVID-19 pandemic, the information contained herein does not represent a precise and/or comprehensive assessment of its impact on the Group. This Supplementary Disclosure has not been subject to a formal review by the external auditors.



Mohamed Baqi
Chief Financial Officer

