



24th February 2021

DISCLOSURES OF CONSOLIDATED FINANCIAL INFORMATION - IMPACT OF COVID-19 FOR THE YEAR ENDED 31 DECEMBER 2020.

Central Bank of Bahrain (CBB) with reference to their circular: OG/259/2020 dated 14th July 2020 aims to maintain transparency amidst the current implications of Coronavirus (COVID-19), a pandemic by the World Health Organization (WHO). This has resulted in a global economic slowdown with uncertainties in the economic environment. This included partial disruption to Trafco Group trading activities due to closure of food services and hotel industries (HoReCa Sector) with decrease in sales. However, there was a marginal increase in sales revenue from modern trade sectors (Hypermarkets) with lower gross profit margin.

Profit from Operations:

Based on the FMGC industry in which we operate, since the beginning of COVID-19 the Group has experienced a significant reduction in the Profit from Operations by 24% (BD 430k) as compared to last year, mainly due to increased expenses relating to distribution of products towards sale through modern trade sector (Hypermarkets) and due to closure of hospitality institutions.

COVID subsidy Income from the Government:

The Group (including all subsidiaries and sister companies) received during the year a sum of BD 563k, subsidy support from Government towards Bahraini staff salaries of BD 426k, Utilities expenses of BD 137k.

Assets and Liabilities:

The management of the company is closely monitoring all impacts due to COVID 19 on its operations, cash flow, other assets and assessed no material impact. Further management also assessed contractual challenges in business relationship with



suppliers and customers for operations disturbances and noted that there were no major issues of contractual commitments and contingent liabilities.

Going forward, since the situation of COVID-19 is uncertain and still evolving the above impact may change due to various circumstances. At this stage and due to uncertainty about the development of the pandemic, it is difficult to forecast further impact on future business, but under existing operational circumstances the group expects to continue its services with confidence and its going concern position remains unchanged.

Name	Sameer A. Alkhan	الإسم
Title	Assistant Group CEO	المسمى الوظيفي
Company Seal ختم الشركة	Signature التوقيع	
		