

## BOARD OF DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### Dear Esteemed Shareholders,

On behalf of the Board of Directors, I would like to express my gratitude and appreciation to you for your unwavering confidence in Seef Properties B.S.C. ("**Company**"). It is therefore with great pleasure that I present to you the Company's Annual Report and Audited Financial Statements for the financial year ended 31 December 2021, with an overview of the Company's overall performance throughout the preceding year and our plans for the future.

The year 2021 has been another challenging year, the terms of which were dictated by the persistent repercussions of COVID-19 pandemic on global economies. The Bahraini economy and its key sectors have been no exception to this global crisis, and accordingly, we have been reciprocally impacted in our business models in real estate development and management of malls, entertainment and hospitality.

Despite these unprecedented times and with another year coming to an end since the outbreak of the pandemic, the Company remains steadfast with its balanced strategic policies and reaffirms its direction to sustain the interests of shareholders, partners and customers, as it continues to achieve the best possible financial and operational performance, while exerting all efforts to mitigate the impact of the pandemic on its business model and its main activities.

### Maximising Profits During the Pandemic

As a testament to the administrative measures and innovative operational initiatives we have taken to preserve the gains we have achieved, and our commitment to maximising the same in the time of the pandemic, the Company succeeded in recording a net profit attributable to the parent of BD 5.02, with an increase by 10.91% in comparison to 2020. This increase is attributed to increase in revenue in the hospitality segment contemporaneous with the near-normal occupancy levels and an increase in revenue the entertainment sector due to longer periods of operations at various capacities in the family entertainment centres, coupled with lower tenant support extended by the Group during 2021 when compared to 2020. Accordingly, the Board of Directors decided to submit a recommendation to the General Assembly for distribution of cash dividends to the shareholders of 6%, equivalent to BD 2.76 million.

<b>Main Financial Results (Million Bahraini Dinars)</b>	<b>2021</b>	<b>2020</b>
Revenues	12.54	12.35
Operating Profit	10.26	10.40
Net Profit Attributable to Shareholders	5.02	4.52
Total Assets	179.87	173.28
Total Shareholder's Equity	154.88	152.17

### Tenants Support Fund Extension

The Company continued with the support to its valued tenants by extending the support fund introduced to deal with pandemic repercussions, which reflects the Company's belief in the importance of strengthening its partnership with the pillars of its business model, in addition to its unwavering commitment to support tenants under all circumstances by alleviating the negative impacts of the pandemic on their businesses. Moreover, and as the second year of COVID-19 comes to an end, we continue to take all necessary precautions to ensure the health and safety of visitors, tenants, employees and work crews at the Company's malls, in line with the instructions of the National Medical Team.

## Income Sources Diversification

As part of its unrelenting efforts to diversify sources of income and maximise the returns generated from its business model for greater financial stability, the Company began providing real estate management services to properties beyond its group, which culminated in the conclusion of an agreement under which the Company is currently providing comprehensive property management services for “Souq Al Baraha” in Diyar Al Muharraq. The aforementioned project is located in close proximity to the most iconic residential, commercial and entertainment projects in the city, and with a total area of 64,000 square metres, is set to be one of the most promising tourism, entertainment and commercial attraction in the Kingdom and Muharraq Governorate in particular, thereby creating a valuable addition to the Company’s diversified service and income-generating projects portfolio.

As for the entertainment and hospitality sectors, which are amongst the most affected by the repercussions of the pandemic, the Company has been keen, despite the negative impacts of COVID-19, to apply the highest standards of health, safety and precautionary measures to ensure the health of visitors. We look at these two (2) sectors with more optimism in 2022, as we are witnessing gradual recovery and an increasing pace of growth with the gradual return of tourism related travel to its pre-pandemic levels.

Furthermore, and despite the unprecedented difficulties caused by the persistence of the pandemic in 2021, the Company remains dedicated to its corporate social responsibility towards the community by continuing to support a number of projects and initiatives across the Kingdom, either directly or in collaboration with several charities, national institutions and civil society representatives.

## An Ambitious Economic Recovery Plan

We begin the year 2022 with more optimism, as we implement an integrated strategy based on the gains achieved throughout the Company’s twenty-three (23) year history of excellence, while continuing to target new projects in various regions of the Kingdom. Furthermore, we remain eager to diversify our sources of income and develop revenues in general to the ultimate benefit of the Company’s shareholders and are actively looking for opportunities to contribute to the development of revenues and serve the aspirations of our partners.

In this context, we aspire to increase confidence in the national economy as we continue our positive growth and record a gradual recovery, fulfilling our role as effective participants in the economic recovery plan and its valuable strategies and initiatives as devised by the wise leadership, which puts into action the Royal directives of His Majesty King Hamad bin Isa Al Khalifa, King of the Kingdom of Bahrain, as is further solidified by the immeasurable diligence and follow-up of His Royal Highness Prince Salman bin Hamad Al Khalifa, Crown Prince and Prime Minister.

We take this opportunity to express our sincere gratitude and appreciation to the wise leadership and the esteemed Government for their endless patronage and support, and for launching a BD 4.5 billion stimulus package amounting to a third of Bahrain’s gross domestic product, which received wide regional and international recognition since the outbreak of the COVID-19. This critical package was primarily created to protect the economy from the negative health and economic impacts of the pandemic, support its most affected sectors, further enhance the economic positioning of the Kingdom of Bahrain and create more job opportunities in the local market, all of which aligning with the Kingdom’s pioneering economic diversification policy.

## Launching Landmark Projects in 2022

We are delighted to announce to our esteemed shareholders that the year 2022 will witness the launch of several prominent and iconic projects in the Company’s portfolio, which will include the official launch of Al Liwan mixed-use development in Al Hamala. Occupying a total area of 122,000 square meters, Al Liwan project constitutes a unique addition to the Company’s operations, providing it with the lead in three (3) key

sectors; shopping, entertainment and tourism, while also being a notable contributor and enhancement to the Company's financial performance.

The Company will also officially launch "Souq Al Baraha" in Diyar Al Muharraq this year, in addition to launching Seef Entertainment W.L.L., which will be its corporate arm to operate its projects in the entertainment sector. Seef Entertainment is currently preparing to inaugurate the new entertainment centre in Al Liwan project, set to be the largest of its kind in the Kingdom, which in turn makes the Company the largest operator of entertainment facilities in Bahrain and further cements its leadership in the fields of entertainment, retail and mall management both locally and regionally.

### **Board of Directors and Executive Management Remuneration**

In upholding the principles of transparency and in compliance with the provisions of Commercial Companies Law No. (21) of 2001 and its amendments, and pursuant to the provisions of Article No. (188) of the Commercial Companies Law and Article No. (125) of the Executive Regulations of Resolution No. (3) for the year 2022 amending some provisions of the Executive Regulations of the Commercial Companies Law promulgated by Legislative Decree No. (21) of 2001 issued by Resolution No. (6) of 2002, we are pleased to include the Schedule below which sets out the Board of Directors and Executive Management remuneration for the financial year ended 31 December 2021.

### **Gratitude and Appreciation**

In conclusion, and on behalf of the Board of Directors, I would like to extend our sincere gratitude and appreciation to His Majesty King Hamad bin Isa Al Khalifa, King of the Kingdom of Bahrain, to His Royal Highness Prince Salman bin Hamad Al Khalifa, Crown Prince and Prime Minister, to the Government of the Kingdom of Bahrain and all ministries and institutions who continue to provide immeasurable support to the Company over the years, allowing it to consolidate its leading position in supporting the aspirations of the wise leadership and for the Kingdom to be the preferred regional and global destination for tourism, shopping and retail, entertainment, hospitality and real estate development.

I would also like to extend thanks and appreciation to all our shareholders, partners and employees for the successes we have achieved. It will remain our goal to enhance your confidence in the performance of the Company and achieve more growth and prosperity in 2022.



**Essa Mohammed Najibi**  
Chairman

**FIRST: BOARD OF DIRECTORS' REMUNERATION DETAILS**

(All amounts are in Bahraini Dinars)

Name	Fixed Remuneration					Variable Remuneration					End-of-Service Award	Aggregate Amount (Does not include expense allowance)	Expenses Allowance
	Remunerations of the Chairman and Board Directors*	Total Allowance for Attending Board and Committee Meetings***	Salaries	Others****	Total	Remunerations of the Chairman and Board Directors	Bonus	Incentive Plans	Others*****	Total			
<b>First: Independent Directors:</b>													
1. Essa Mohamed Najibi	39,130.435	5,200	-	-	44,330.435	-	-	-	-	-	-	44,330.435	-
2. Dr. Mustafa Ali Al Sayed	29,347.826	3,800	-	-	33,147.826	-	-	-	-	-	-	33,147.826	-
3. Sattam Sulaiman Al Gosaibi	19,565.217	6,800	-	-	26,365.217	-	-	-	-	-	-	26,365.217	-
4. Fuad Ali Taqi	19,565.217	4,400	-	-	23,965.217	-	-	-	-	-	-	23,965.217	-
5. Eman Mustafa Al Murbati	19,565.217**	4,000	-	-	23,565.217	-	-	-	-	-	-	23,565.217	-
6. Mohammed Ebrahim Al Bastaki	19,565.217**	4,400	-	-	23,965.217	-	-	-	-	-	-	23,965.217	-
<b>Second: Non-Executive Directors:</b>													
7. Hesham Jaffar Al Rayyes	19,565.217	2,800	-	-	22,365.217	-	-	-	-	-	-	22,365.217	-
<b>Third: Executive Directors:</b>													
8. Yusuf Ahmed Al Hammadi	19,565.217	3,200	-	-	22,765.217	-	-	-	-	-	-	22,765.217	-
9. Abduljalil Mohamed Janahi	19,565.217	4,400	-	-	23,965.217	-	-	-	-	-	-	23,965.217	-
10. Hamed Yousef Mashal	19,565.217	4,400	-	-	23,965.217	-	-	-	-	-	-	23,965.217	-
<b>Total</b>	<b>225,000</b>	<b>43,400</b>			<b>268,400</b>							<b>268,400</b>	

**Notes:**

\* Subject to approval of the General Assembly.

\*\* Remuneration is paid to the entity represented by these Directors.

\*\*\* Sitting fees for attending the Board and its committee meetings are BD 600 for the Chairman of the Board or any committee and BD 400 for Directors or committee members.

\*\*\*\* Includes in-kind benefits and/or remuneration for technical, administrative and advisory works (if any).

\*\*\*\*\* Includes the Director's share of the profits and/or granted shares (if any).

## SECOND: EXECUTIVE MANAGEMENT REMUNERATION DETAILS

(All amounts are in Bahraini Dinars)

EXECUTIVE MANAGEMENT	TOTAL PAID SALARIES AND ALLOWANCES	TOTAL PAID REMUNERATION (BONUS)	ANY OTHER CASH/ IN-KIND REMUNERATION FOR 2021	AGGREGATE AMOUNT
<b>Remuneration of Top Six (6) Executives</b>	<b>363,461</b>	<b>55,664</b>	N/A	<b>419,125</b>

**Note:**

\*The top six (6) members of Executive management include the following:

1. Chief Executive Officer
2. Chief Technical Officer
3. Chief Financial Officer
4. Senior Manager - Property Management (currently Acting Chief Commercial Officer as of 20 February 2022)
5. Company Secretary and Senior Manager - Legal and Compliance
6. Manager - Internal Audit