

MANAGING CHANGE

Creating pathways to success

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Overview of Mumtalakat

Who We Are

Since its inception in 2006 as the Sovereign Wealth Fund of the Kingdom of Bahrain, Bahrain Mumtalakat Holding Company has firmly established itself as a highly effective and respected investment vehicle, having grown its portfolio to more than 60 local and international companies. Its genesis as a major keystone in Bahrain’s economic diversification plan, led by the Crown Prince, and Prime Minister, HRH Prince Salman bin Hamad Al Khalifa, has developed into a valuable, influential contributor to the Kingdom’s economy.

The prudent spread of investments includes real estate, financial services, industrial manufacturing and a host of other sectors.

The hallmark of a well-managed portfolio is constant review and due diligence of key assets. Mumtalakat combines its focus on strengthening the quality and performance of its current, prevailing portfolio with the strategic objective of long-term sustainability, applying the highest standards of corporate governance and transparency in each of its investments.

Our Team

Our strength lies in the superb quality of our experienced team, whose ability to contribute a broad spectrum of personal insights, in-depth experience and exposure to the widest range of diverse cultures and businesses brings a unique and special portfolio management purview. We create lasting value through collaborative partnerships, built on a paradigm of high performance, trust, and transparency. We continue to develop a cadre of the finest investment talent for Mumtalakat.

As part of Team Bahrain, we are committed to nurturing leaders capable of maintaining the delivery of excellent mandates and results. Bahrainisation levels of 86% signal our intent to remain an employer of choice for local talent. In pursuit of gender equality, our female staff currently occupy 41% of total employees, 56% of our executive management, and 40% of all managerial posts within Mumtalakat. Where appropriate, with the objective of diversifying the Kingdom’s economy, we frequently welcome key talent with sector-specific experience to enhance our portfolio growth.

Our Vision

To be recognised as the partner of choice for companies and investors seeking an active **investment partner with a long-term perspective**.

Our Mission

We invest in companies with growth potential across multiple industries and geographies to **achieve sustainable investment returns**.

Our Values

Leadership

Active and Responsible Leadership.

Collaboration

Solid Alignment of Interests between the Company and its Stakeholders.

Transparency

Open and Effective Channels of Engagement with all Stakeholders.

Chairman's Message

2020 has been a challenging year that has uniquely tested the strength and resilience of governments, businesses, and individuals around the world in responding to and managing the unprecedented global health and economic challenges imposed by the COVID-19 pandemic.

I would like to take this opportunity to offer my sympathies to those who were affected by the pandemic and express my heartfelt gratitude to all front-line medical staff who are working hard around the clock caring for patients and providing treatment and support.

It is important to think about this global shock within a broader perspective, and analyse what worked well and what did not, in order to build a sustainable future that supports our Kingdom's 2030 vision.

The changes we witnessed and experienced were birthed of necessity, but they offer great potential beyond the Covid-19 outbreak. They have put Mumtalakat in a strong position to adapt and grow, enhancing our purpose of safeguarding the wealth of Bahrain and our ongoing pursuit towards securing sustainable returns.

As we look beyond the pandemic, I strongly believe that we can do better than returning to normal, with the extraordinary example of commitment, professionalism, and solidarity that each and every one of Mumtalakat's team members showcased alongside the support extended by my fellow board members.

HE Khalid bin Abdulla Al Khalifa
Deputy Prime Minister &
Chairman of the Board of Directors



CEO's Message

As the Sovereign Wealth Fund of the Kingdom of Bahrain, we used this period to revisit our portfolio, and to ensure that our investments are adequately positioned to withstand future shocks.

Global demand was adversely impacted; market uncertainty rose; travel was dramatically affected; and LME prices reached record lows. These shocks impacted some of our largest holdings, and consequently, led to challenging financial results. During this period, Mumtalakat focused on managing change. We revalued our portfolio, reflecting the impact of COVID-19. We took the time to reshape the way we do business, in order to create pathways to future success. We remain confident that Mumtalakat and its portfolio companies are well poised to recover from this challenging period and to emerge stronger, more resilient, and better prepared to face the ongoing effects of the COVID-19 pandemic.

I'd like to extend my sincere thanks to our visionary leadership, dedicated government, supportive board for their wise guidance, and also to Mumtalakat's staff for their outstanding efforts and for their resilience, tenacity and optimism as we navigated through 2020 with minimal disruption to our operations.

We are confident that we are building a stronger, more resilient organisation that is well positioned to grow sustainably in the years to come.

HE Khalid Al Rumaihi
Chief Executive Officer



Creating pathways to success

Through the continued commitment and hard work of our exceptional team, we are confident in our ability to embrace the challenges ahead and capture the next wave of growth by remaining focused.

Business Review

ACHIEVING GROWTH THROUGH CHANGE –
Continually Building for the Future

Bahrain Mumtalakat Holding Company, “Mumtalakat”, the Sovereign Wealth Fund of the Kingdom of Bahrain, continues to create sustainable economic wellbeing for future generations. Our portfolio management purview encompasses growth investment opportunities across a broad range of sectors and geographies. Our prudent analytical approach since inception in 2006 has been rewarded with a solid, diverse portfolio, from an initial coverage of 29 companies to in excess of 60.

Our Progress

By any measure, 2020 was a year of change and unprecedented challenges globally, which tested the resilience of our portfolio as the Covid-19 pandemic hijacked an already volatile regional and global geopolitical climate. Supply chains were disrupted and economies and businesses were pushed to their limits.

Our long-term vision and approach complemented our active management of our portfolio companies, enabling us to navigate safely through one of the most challenging and disruptive years experienced thus far, while preparing for an expected phase of recovery and growth in 2021.

OUR PORTFOLIO

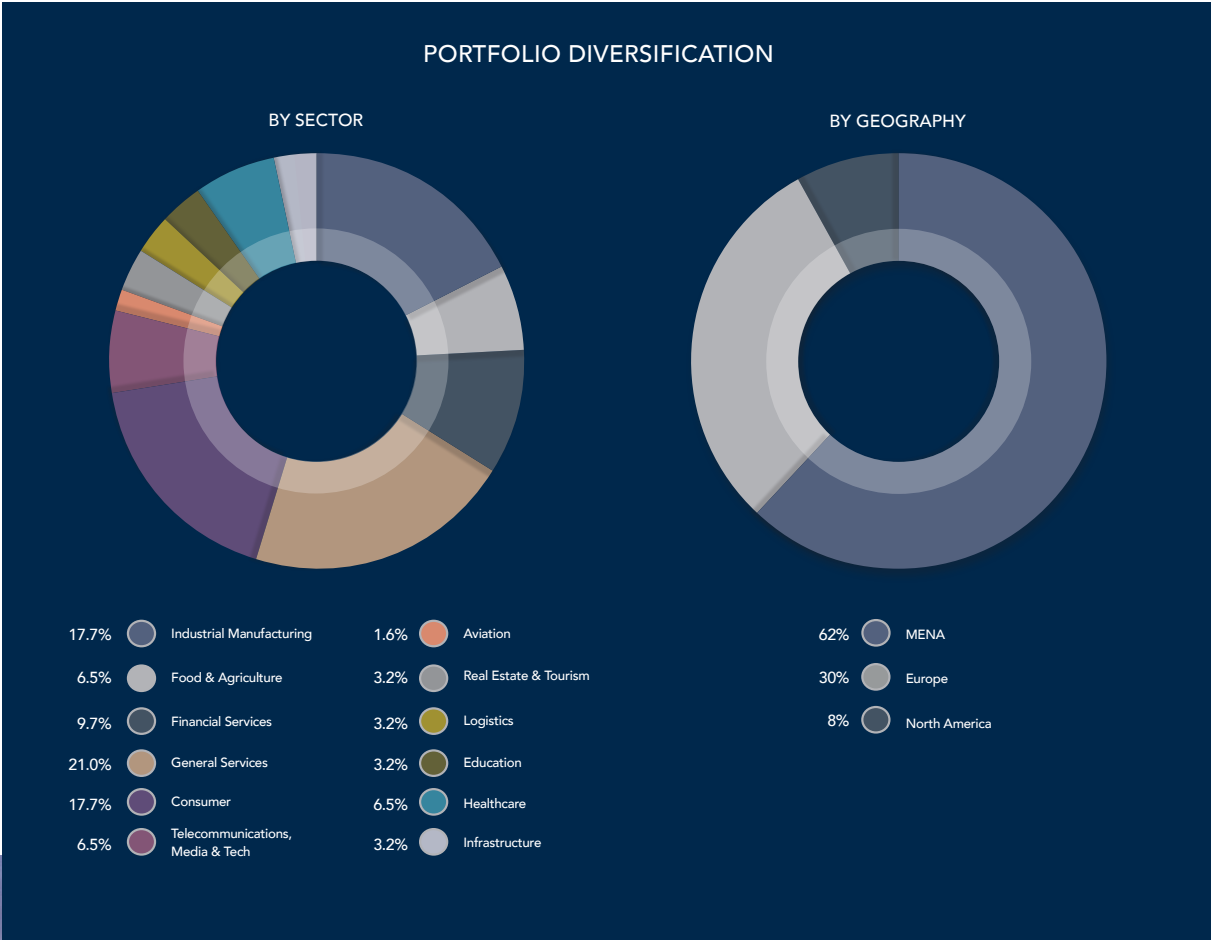
Despite the difficult and diverse Covid-19 challenges faced individually by each of our sector partners, outstanding performances proliferated across the portfolio.

Aluminium Bahrain’s operational output in excess of 1,500,000 tonnes increased sales volumes by 14%, alongside an achievement of 6,000,000 safe working hours.

Bahrain’s leading telecoms provider, Batelco, produced 10% growth in net profits, and made further development of its 5G infrastructure, a significant contribution to the Kingdom’s digital economy.

In the financial sector, the National Bank of Bahrain maintained strong liquidity, with a robust balance sheet and ratios, while seamlessly absorbing the majority stake of Bahrain Islamic Bank.

The Bahrain Airport Company (BAC) managed the transfer of airport operations to the New Passenger Terminal Building and completed the development of new CIP Lounges to serve all other airlines in the New Passenger Terminal Building. To be launched in January 2021, the new terminal is four times the size of the legacy airport increasing the airport’s capacity to 14 million passengers per year. Delivering a hassle-free airport experience with the highest standards of luxury including a multi-storey Car Park, Central Utilities Center, and the setting up of temporary PCR testing facilities.



Business Review continued

AVIATION

Few industries were more impacted by Covid-19 than the world's airlines. Prudent reaction focused primarily on securing the safety and wellbeing of staff, crew and passengers, while adapting creatively to ensure continuity of movement of cargo and people wherever possible in a safe manner. Our investee partner companies already have plans in place to emerge well-prepared when the pandemic eases.



PORTFOLIO UPDATE

FAI Aviation Group

As the Covid-19 pandemic coursed throughout the world, FAI provided solutions for private individuals and other entities for safe travel, which included evacuations of infected patients as well as repatriation flights for individuals across the world. FAI's professional medical and non-medical staff offered best-in-class safety protocols and procedures, which was further augmented by FAI's investments in equipment to ensure patient and staff safety.

In January 2020, FAI Aviation Group and McLaren Racing announced a multi-year partnership. FAI will render aviation services to McLaren Racing beginning in the 2020 Formula 1 season.



Bahrain International Airport

The Bahrain Airport Company (BAC) coordinated with airport stakeholders and partners to manage the transfer of airport operations to the New Passenger Terminal Building and completed the development of new CIP Lounges to serve all other airlines in the New Passenger Terminal Building. To be launched in January 2021, the new terminal is four times the size of the legacy airport.

Equipped with the latest technologies in the market and supported by new infrastructure, it increases the airport's capacity to 14 million passengers per year, delivering a hassle-free airport experience and the highest standards of luxury with a multi-storey Car Park, Central Utilities Center, and setting up of temporary PCR testing facilities.

A New Terminal ICT Package went live to support the opening of the New Terminal, containing over 30 new systems that upgraded the Airport technology footprint and Databases migration to the cloud (Amazon Web Services). Furthermore, the masterplan of the Cargo Express Village was completed.



Gulf Air

Gulf Air transported 4,197 tons of imported food supplies and repatriated 24,545 passengers during the COVID-19 pandemic, as well as operating a total of 164 charter flights throughout 2020.

The airline introduced its 'Golden Principles' for Health and Safety of Passengers and Crew, and imported 610 tons of medical supplies in 2020, utilising the cabins of the aircraft to carry the transported supplies on some trips.

Furthermore, Gulf Air welcomed its new 70th Anniversary Edition Airbus A321neoLR and bid farewell to its last Airbus 330 Aircraft.

Five agreements were signed with Tel Aviv, while an expanded code share agreement with Egyptair was also completed.

At FTE-APEX Virtual Expo, Gulf Air was awarded a five-star Major Official Airline rating.

FOOD AND AGRICULTURE

Mumtalakat's support of the food and agriculture sector is an important contribution to a broad and sustainable economy. We are committed to initiatives that enhance the efficient utilisation of the country's natural resources, both agricultural and marine, leading to greater productivity within the sector.



PORTFOLIO UPDATE

General Poultry Company

General Poultry Company embarked on an ambitious expansion project that aims to double its current production capacity to meet local demand for fresh table eggs, using several advanced features such as automated grading and packaging technology and live data streaming.



Bahrain Flour Mills

Bahrain Flour Mills played a key role in implementing the government's stockpile directive with respect to importing and maintaining a 6-month strategic wheat inventory for the Kingdom to mitigate against potential supply chain disruptions related to sourcing and transporting wheat from international markets during the COVID-19 pandemic.

Business Review continued

EDUCATION

We are proud to support investment in education, which has a reach well beyond that of commercial and financial considerations, by paving the way for future generation of business leaders prepare to contribute to the continued wellbeing of the Kingdom’s economy.

FINANCIAL SERVICES

The financial services landscape is the fastest-changing industry sector as the transformation to virtual transactions is marked by customer migration to online electronic means of doing business. The changes embrace the entire range of clients - not only multinational corporates along with small and medium sized enterprises, but also the retail consumer. Mumtalakat looks to continually review opportunities to partner Bahrain’s Fintech-enabled companies, together with our existing solid partnerships.



PORTFOLIO UPDATE

Elm Fund

Since 2019, Mumtalakat has invested in the Elm Fund, an educational platform based in the Kingdom of Bahrain, with the objective of developing the education sector in Bahrain and across the broader Middle East region. The Elm Fund initially invested in the American University of Bahrain, (AUBH) which offers an American co-educational model in a purpose-built and designed campus contained in a 75,000 square metres location in Riffa.



American School of Bahrain (ASB)

In September 2020, the Elm Fund invested in the American School of Bahrain (ASB) which began the 2020/2021 educational year on its new, state-of-the-art campus, encompassing modern technology-equipped classroom areas, progressive teaching methodology and an advanced approach to cross-curricular subjects. Moreover, in line with instructions from the Ministry of Education and the Ministry of Health, ASB has also implemented a full programme of health and safety protocols with particular emphasis on protection against Covid-19.



PORTFOLIO UPDATE

National Bank of Bahrain (NBB)

Despite the unprecedented challenges of 2020 mainly due to the outbreak of the Covid-19 pandemic, NBB continued to demonstrate positive growth, a robust balance sheet and ratios and resilient financial results. NBB reported operating income of BHD 148.9 million (USD 395 million) for the year ending 31st December 2020, a 22.4% increase from the same period last year. Operating profit for 2020 also showed an increase of 1.6% from the 2019 level. Net profit attributable to equity shareholders for the year ending 31 December 2020 was BHD

53.3 million (USD 141.4 million) a decrease of 28.2% from 2019. Various factors impacted Net Profit as a result of the pandemic: higher precautionary provisions requirements, lower dividends received and lower income from associate equity valuations.

In alignment with its strategy, NBB achieved multiple milestones during the year. In January 2020, the Bank increased its ownership stake in Bahrain Islamic Bank from 29.06% to a controlling stake of 78.8%. This acquisition complements NBB’s strategic aspiration to have a strong presence in Islamic Banking in the Kingdom. The integration of both banks is expected to yield significant synergies and improve cost efficiencies as well as enhance profitability. NBB is also recognised as one of the first banks in the country to transact using Bahrain Bourse’s recently introduced sukuk-based Murabaha service, a fully sharia-compliant service.

NBB continued on its path towards digitisation, launching several initiatives in line with its brand promise “to stay close to its customers”. NBB launched the “Tap & Go” contactless payment service across its ATM network and point-of-sale in the Kingdom. NBB also introduced new and improved customer communication channels including social media, email and its website, all of which are now fully integrated and fall under the bank’s “Contact Centre”.

NBB has been recognised on multiple facets this year, including being awarded the “Middle East’s Best Bank Transformation” by Euromoney Awards for Excellence. NBB’s commitment to nurture the growth and development of its Human Capital was also recognised by Forbes in an international case study. Notably, the bank was also ranked in first place amongst the banking sector in the Kingdom for Environmental, Social, and Corporate Governance (ESG) ratings by ESG Invest.



Arcapita

Arcapita acquired a controlling stake in Waste Harmonics, a technology-enabled facility services company that delivers a comprehensive suite of waste management solutions to blue-chip clients throughout North America.

Business Review continued

HEALTH CARE

The onslaught from the Coronavirus pandemic has served to focus the world’s attention on health care probably more than at any other time in history. However, the sector has already seen massive shifts in recent years with the focus on robotics and miniaturisation, enabling precision diagnostics as well as the evolution in more advances in surgical devices. Virtual applications in health services and prescriptive medicines have become more prevalent.

INDUSTRIAL
MANUFACTURING

The strength of industrial manufacturing reflects positively in upstream and downstream related industries, bolstering the health of the national economy. Mumtalakat continues to seek a diversified range of investments in support of the sector.



PORTFOLIO UPDATE

NAS

In 2017, Mumtalakat and Arcapita partnered to acquire an equity stake in NAS United Healthcare Services LLC. Over the past three years, the consortium supported the company’s execution of a series of organic and inorganic growth initiatives, including entering into a partnership with another major UAE third-party administrator, Neuron L.L.C. In 2020, Mumtalakat and Arcapita exited their investment in NAS Neuron Health Services L.L.C. to a leading US-based Fortune 500 company.

The successful investment has exceeded target returns over a three-year holding period.



PORTFOLIO UPDATE

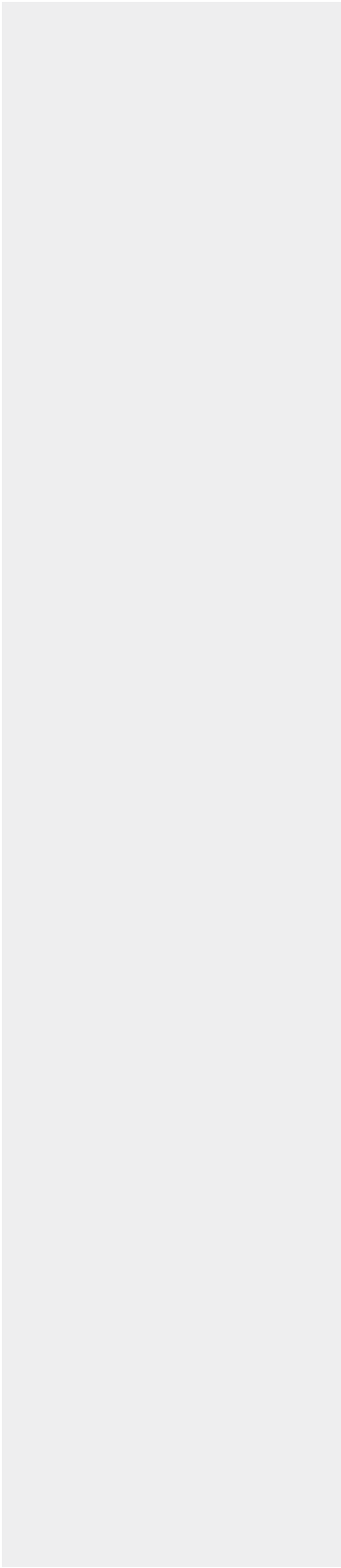
Alba

Alba reached an impressive milestone with a record annual production level of 1.548 million metric tonnes, its highest level achieved in 50 years of commercial operations, due to successfully maintaining full capacity at its new Line 6 expansion project for the entire year. The Line 6 expansion project is a major initiative as it ensures Alba’s facilities remain globally competitive and encourages investment

and employment across the aluminium value chain in Bahrain.

Alba’s Spent Pot Lining (SPL) Treatment Plant, the first of its kind in the region, is the result of the co-operative efforts between Alba and Bahrain’s Supreme Council for Environment in line with Bahrain’s National Waste Management Strategy. The project features a world-class solution to treat 30,000 – 35,000 tonnes per year of SPL, with zero-waste, while converting it to a value-added product that can be used in other industries. The treatment plant will achieve significant environmental as well as economic benefits for the Kingdom of Bahrain, bringing Alba closer to achieving its objective of waste management for sustainable development in line with Bahrain Economic Vision 2030.

Alba also remained profitable during 2020 despite the challenging conditions caused by the impact of the Covid-19 pandemic on the global aluminium market and supply chains. Aluminium prices dropped by ~20% during 2020 before rising by the year end, due, in part, to a strong recovery in demand from China. Alba’s operating discipline in sustaining full production capacity successfully offset weaker market conditions during the year.



Aleastur

Based in Spain, Aleastur is a leading manufacturer of specialty aluminium grain refiners and master alloys, serving the global aluminium industry.

With Mumtalakat’s support, Aleastur commenced construction of its 18,000 metric tonne plant in Bahrain to serve the company’s existing client base in the region and to target new customers in Asia, including smelters and casting operations. The project is on track to deliver its first products from the Bahrain facility and commence commercial operations during 2021.



MCLAREN AUTOMOTIVE GROUP
Racing Deal

McLaren Group sold a minority stake in McLaren Racing to a consortium led by MSP Sports Capital, a US-based sport investments group. MSP Sports Capital will invest a total of £185 million into McLaren Racing, acquiring an initial 15% stake that will increase to a maximum 33% shareholding by the end of 2022. The transaction values McLaren Racing at £560 million.

Constructors Championship

McLaren Racing completed the 2020 season with a third-place finish in the Constructors’ Championship for the first time since 2012.

H Al Dhaen Boats

H Al Dhaen Boats signed Alkhorayef Commercial as an official dealer in Saudi Arabia and also signed Fahad Al Sabih General Trading as an official dealer in Kuwait.



Prodrive International

Mumtalakat entered into a partnership with Prodrive International. The partnership builds on Prodrive’s expertise in the construction of championship winning race and rally cars. Bahrain Raid Extreme (BRX) racing team achieved fifth place with Prodrive’s car in its first-year entry in Dakar rally in Saudi Arabia which is a new record.

Business Review continued

REAL ESTATE & TOURISM

Our real estate portfolio is anchored on two main strong pillars, being value growth in the existing portfolio and selective new investments in international real estate opportunities. This latter sector, covering the overseas markets in Europe and the United States targets longer-term sustainable returns.



PORTFOLIO UPDATE

Edamah

In view of the challenges faced by the real estate sector in 2020, Edamah led an effort to provide rental waivers, deferrals, concessions, and other financial relief solutions to its tenants, to support business continuity and the wider community.

Edamah launched the Salmaniya multi-storey car park development in August 2020. The project, adjacent to Salmaniya Medical Complex, offers 600 car parks built on a 7,410 square metres plot of land. The project represents another milestone for Edamah as a strategic investor and developer in the Kingdom’s infrastructure.

Following significant strides and milestones in the planning and mobilisation of the Bilaj AlJazayer development on the southwestern coast of Bahrain, Edamah is set to commence with the first phase of the development which includes hospitality, retail and mixed-use components. The master development project, covering an area of approximately 1.3 million square metres, is planned to be a prime destination that offers additional lodging opportunities, leisure activities, sustainable retail shops, and innovative facilities and services. The seafront mixed-use tourism and recreational development will be a flagship project of Edamah and will establish its status as a destination builder.

Edamah also signed an MOU with the Ministry of Works, Municipality Affairs and Urban Planning to enhance mutual economic income opportunities and jointly pursue property management initiatives.



Gulf Hotels Group (GHG)

The unprecedented Covid-19 outbreak significantly impacted the travel and tourism industry. Nonetheless, GHG management has been working towards improving the health and safety standard operating procedures to adhere to global best practices and adopting all necessary measures to safeguard staff and clients.

GHG has also focused on enhancing its portfolio and has been actively involved with the opening of the newest addition to its properties – the Bahrain Airport Hotel, a joint venture between Gulf Air Group Holding and Gulf Hotels Group. Managed and operated by Gulf Hotels Group, the hotel aims to serve travellers as it provides different options, ranging from spacious family rooms to state-of-the-art sleeping pods. The hotel also offers the flexibility to book rooms from 2 hours and upwards and offers a full-service spa.



Bahrain International Circuit (BIC)

BIC hosted the FIA WEC 8 Hours of Bahrain event, the final round of the 2019/2020 World Endurance Championship (WEC) season.

Also, given the coronavirus-enforced change in the F1 calendar during 2020, the season was crunched into limited venues. Bahrain hosted at the BIC two back-to-back F1 races, the F1 Gulf Air Bahrain Grand Prix and the Rolex Sakhir Grand Prix.



Southern Tourism Company (STC)

Edamah appointed STC as the main operator of Sa’ada Marina

Business Review continued

TELECOMMUNICATIONS,
MEDIA & TECHNOLOGY

The speed of transformation in all elements of Telecommunications, Media and Technology constitutes the modern foundation block on which the rest of the economy depends. Bahrain leads the way in the Gulf region with support for Fintech innovation. Mumtalakat is in prominent lockstep with government agencies’ support for initiatives in other disciplines such as healthcare, education and in financial services. Cybersecurity and e-commerce have developed into primary areas underpinning future economic growth in the Kingdom.



PORTFOLIO UPDATE

Batelco

Batelco achieved strong financial results for 2020 with a 10% y-o-y increase in net profit attributable to shareholders. The 2020 results reflect the sector’s resilience and successful management initiatives such as effective cost management whilst adapting quickly to the unprecedented circumstances faced over the course of the year. While gross revenues were 4% below 2019, the company reduced its operating costs by 10% resulting in an EBITDA 9% above the prior year and with a healthy margin of 40%.

Batelco has been ranked the #1 certified organisation in the telecommunication sector across the Middle East in 2020 as a great workplace, by Great Place to Work® Institute Middle East.

Batelco continued its technological advancement with achievements such as National 5G activation across Bahrain, covering 95% of the nation’s population. The company also achieved another milestone in launching the largest certified enterprise Tier III Data Center in Bahrain. To accommodate the increased demand on internet services, the company upgraded fiber speeds, by up to five times the customer package speeds, at no additional cost, with this initiative contributing towards Bahrain being highly ranked for fixed internet speeds by Ookla, the global leader in fixed broadband and mobile network testing applications.

The company also fast-tracked its digital transformation journey and completed crucial IT system upgrades to better serve its customers and leading to an enhanced customer experience.

Batelco signed a partnership agreement with e-Boks, a Nordic provider of secure platforms and digital post-boxes to provide companies and public authorities with a user-friendly platform for digital communications. To meet customers’ evolving needs, Batelco also launched a

new App, leading to double digit growth in adoption rates of digital channels, digital payments and refills.

Furthermore, over the course of the year, Batelco progressed on the separation process of its broadband network infrastructure (BNET) and establishing it as an independent entity. September 2020 saw the complete separation of BNET’s information systems technologies from Batelco with the successful launch of both the operations and business support systems. This is in accordance with the requirements of the National Telecommunication Plan. BNET will provide broadband network services to all licensed operators (including Batelco), whereas Batelco will focus solely on retail and corporate operations.



A blurred background image showing a group of business professionals in a meeting. In the foreground, a person in a dark suit is seen from the back, looking towards a group of people. In the center, a woman in a black top and a man in a light blue shirt are looking at a laptop. The background is bright and out of focus, suggesting a modern office environment.

OPERATIONS OVERVIEW

Operations Overview

COMMUNICATIONS & EXTERNAL AFFAIRS

The Communications & External Affairs department is dedicated to enhancing and upholding Mumtalakat's brand and reputation by telling the Mumtalakat story and ensuring that our stakeholders are well informed of our progress and key achievements.

As part of this endeavour, we engage in high-level speaking engagements and thought leadership speaking roles.

Our support is also extended to our portfolio companies, providing them with guidance, content and feedback when needed.

In addition to the above, the Communications department manages Mumtalakat's website and social media accounts, ensuring that they are up to date with the latest news and announcements in addition to processing any received request for information.

Key Milestones in 2020

Due to the Covid-19 pandemic restrictions, many of the planned events and engagements were either cancelled or became virtual. Among these, the department supported the CEO's participation in the following events:

- World Economic Forum (physical), January 2020
- Milken Institute Middle East and Africa Summit 2020 (physical), February 2020
- Director's Development Programme for Women (physical), February 2020
- Milken Institute Middle East and Africa Senior Regional Leaders Roundtable (virtual), September 2020
- CEO Dialogue - Reshaping the Middle East: Challenges and Opportunities post-Pandemic, September 2020

INFORMATION TECHNOLOGY

The technology team conducted a full review of all business processes and tools used within the organisation, and formulated a digital transformation plan to rebuild the technology foundation from the ground up. This plan was presented to the company's executive management and board, with the vision of helping business units create more value for Mumtalakat by leveraging data and analytics, to allow for more improved decision-making and as a result, active management of Mumtalakat's portfolio.

Key Milestones in 2020

A Technology Committee comprised of members across the organisation was created to help drive a digital transformation plan from inception all the way to implementation and post-completion review.

Under the digital transformation plan, core applications used by the various investment teams, human capital, procurement and finance were completely overhauled. The risk management tools will be enhanced, and a business intelligence and analytics capability - being a major part of this transformation - is being established both in terms of technology and user capabilities.

The Technology team, while tasked with driving this transformation has also been working hard to ensure the company's existing Technology environment seamlessly transitioned to allow for the shift to remote work that started earlier in the year, without compromising the security of our information assets and resources.

Next year, we will look into technologies that will further enhance the efficiency of our operations, as well as fine-tuning our analytics capabilities to help gain more value from our data.

For our portfolio companies, our focus will shift towards exploring opportunities to help them create more value for their constituents, including customers, shareholders and even employees - through the utilisation of technology - to capture more business opportunities, improve operational efficiency, and manage risk in an effective manner.

HUMAN CAPITAL

Our highly qualified and passionate workforce is a key driver of Mumtalakat's success. In line with our goal of growing Bahrain's wealth, we remain focused on hiring and retaining the brightest professionals. Our Human Capital department actively supports our employees in developing their careers and improving their skills, cultivating a culture of trust, collaboration, and high performance, resulting in a bedrock of future leaders for the Kingdom.

Key Milestones in 2020

We aim to be recognised as a centre of excellence for talent management and development, enabling the growth of successful leaders at all levels within Mumtalakat and to play a key role in unleashing the value creation potential across Mumtalakat's portfolio companies, by enhancing the effectiveness and excellence of its boards.

In pursuit of our mandate, we have identified key critical initiatives that will support Mumtalakat in driving its strategy. One of the key milestones is the successful identification and filling of 8 critical positions with top local talent, of which female employees represent 50% of new joiners. In Mumtalakat, we pride ourselves in having female employees represent 41% of our workforce, 56% of executive management and holding 40% of all managerial positions within the organisation.

In addition, and to cultivate a culture of high performance, we integrated changes to our performance development system to include core and leadership behaviours that drive performance. We have also created a forward-looking process that enriches performance and development dialogues.

As part of our efforts to actively support our employees' development, we launched the Mumtalakat Power Skills Training (problem solving and communicating for impact) and trained over 70% of our employees on core skills that are essential to the success of Mumtalakat - training that facilitates the execution of our transformation journey. This is in addition to various training events and workshops held throughout the year.

In collaboration with our Strategic Investments team, we institutionalised the Board Engagement and Excellence Playbook which provides guidance on selecting, training, evaluating, and guiding the directors of our portfolio companies.

LEGAL DEPARTMENT

Safeguarding our organisation's legal interests and mitigating legal risks are vital to the success and security of our business. Our legal team oversees these key areas and strives to provide efficient legal support across the different functions of the institution to enable them to successfully achieve their initiatives and objectives.

Key Milestones in 2020

Apart from its daily task of supporting the various functions of the institution, the legal team also takes on a strategic role, thinking creatively of ways to make the legal process more efficient. Over the past year, the legal department standardised over 25 key documents used by different functions across the organisation with the aim of providing these functions with easy and clear access to commonly used documents. The standardisation exercise culminated with training sessions designed to expedite the provision of legal support and provide team members with access to these key documents with ease and clarity, enabling them to act with efficiency, especially in situations where time is of the essence. These standardised documents have been digitised and made available to the teams electronically in order to ensure accessibility.

In addition to the above, the legal department handled over 2300 requests during the year.

FINANCE DEPARTMENT

The finance team works towards supporting Mumtalakat and its diverse portfolio, ensuring that the various funding requirements are met, while managing all financial, statutory, and internal reporting requirements to ensure that they meet the respective reporting requirements and deadlines.

Key Milestones in 2020

The Finance department has successfully raised USD 500 million in January 2020 through a 7-year sukuk with a profit rate of 4.25%. The order book peaked at approximately US\$ 3.9 billion, comprising strong and reputable local, regional and international investors. Strong investor demand allowed Mumtalakat to tighten pricing by 62.5 basis points from initial pricing to a final yield of 4.25% p.a. which was 33 basis points above the country's sovereign pricing. Around 72% of allocations went to MENA accounts, while 28% went to international accounts, representing a well-placed Sukuk transaction with strong participation from both conventional and shari'ah-compliant investors.

The objective of the new Sukuk was the early refinancing of Mumtalakat's Sukuk due in 2021. On the same day of the sukuk issuance, Mumtalakat repurchased US\$ 255 million of the US\$ 600 million Sukuk due in 2021 through a tender offer.



CORPORATE GOVERNANCE

Our Governance

Since our inception, our mission has been to grow the Kingdom of Bahrain’s wealth through a well-governed institution that adheres to the highest standards of transparency and corporate governance.

We are committed to best corporate governance practices, including:

- Our compliance with the Bahrain Code of Corporate Governance, while also encouraging our portfolio companies to do so
- Regular audits of our operations from an external auditor, an internal auditor, and the National Audit Offices of the Kingdom of Bahrain

- Defining the relationship and means of engagement between our board of directors, managers, and shareholders to ensure transparency, accountability, fairness and responsibility
- Establishing board committees: Board Investment Committee, Board Compensation & Governance Committee and Board Audit & Risk Committee
- Establishing management committees: Management Investment Committee and Management Executive Committee

1- Description of the actions taken to complete the Corporate Governance Code during the year 2020 and how they were applied.

Mumtalakat is governed by the Commercial Companies Law promulgated by Legislative Decree No. 21 of 2001 (“Commercial Companies Law”), the Principles of the Corporate Governance Code (“Governance Code”) as issued by the Bahrain Ministry of Industry, Commerce and Tourism (“MOICT”) and the Company’s corporate governance framework.

Mumtalakat views corporate governance as the manner in which members of the Board of Directors, shareholder, management and employees of Mumtalakat are organized and how they operate in practice. The highest standards of corporate governance involve keeping business practice above reproach and thus retaining the trust and confidence of all the stakeholders who enable Mumtalakat to operate, thrive and prosper. The Company seeks to achieve the highest level of transparency, accountability and efficient management through the adoption and pursuit of strategies, objectives, policies, and procedures that ensure the fulfillment of its organizational and ethical responsibilities.

During the Fiscal Year ended December 31, 2020 (“FY20”) the Company’s appointed Corporate Governance Officer (“CGO”) coordinated with the Board Compensation and Governance Committee and the Board of Directors to ensure compliance with all corporate governance rules, laws and regulatory requirements in the Kingdom of Bahrain as well as the best corporate governance practice used internationally.

This report outlines the Company’s adherence to the Governance Code as well as the Company’s corporate governance framework. Mumtalakat was in compliance with substantially all of the material provisions of the Governance Code and the Company’s corporate governance framework except to the extent listed in section 9 of this report.

2- Description of the transactions of the directors, their spouses and sons on the Company’s shares during the year 2020

The Government of the Kingdom of Bahrain is the sole owner of Mumtalakat. Therefore, this section is not applicable.

3- Composition of the Board:

- a. Description of the current Board composition:
The Articles of Association of Mumtalakat state that the Company shall be administered by a Board of Directors consisting of no less than seven members. As at December 31, 2020 the total number of Directors appointed to Mumtalakat’s Board of Directors was nine members.

The table below provides information regarding the current Directors, including their names and position, type (executive, non-executive or independent) and first date of Board appointment.

	Name	Type (executive, non-executive or independent)	The period of his term as a director of the Company starting from the date of his first election or appointment
1	H.E. Shaikh Khalid bin Abdulla Al Khalifa (Chairman)	Non-Executive and independent	27 September 2011
2	H.E. Shaikh Salman bin Khalifa Al Khalifa	Non-Executive and independent	4 December 2018
3	HE Kamal bin Ahmed Mohammed (Deputy Chairman)	Non-Executive and independent	27 September 2011
4	H.E. Zayed bin Rashid Alzayani	Non-Executive and independent	12 March 2015
5	H.E. Shaikh Mohamed bin Isa Al Khalifa	Non-Executive and independent	1 July 2006
6	Mr. Khalid Alromaihi (Chief Executive Officer)	Executive and non-independent	1 March 2015
7	Mr. Khalid Humaidan	Non-Executive and independent	2 February 2016
8	Dr. Samer Al Jishi	Non-Executive and independent	1 July 2006
9	Mrs. Elham Hasan	Non-Executive and independent	2 February 2016

- b. Description of the following:
1. Total remunerations paid to the directors for the (last) year 2019.

Name	Board Remuneration Amount in BD
H.E. Shaikh Mohamed bin Isa Al Khalifa	15,000
Mr. Khalid Alromaihi	10,000
Mr. Khalid Humaidan	15,000
Dr. Samer Al Jishi	15,000
Mrs. Elham Hasan	15,000
Total Board Remunerations for the (last) year 2019	70,000

Our Governance continued

- b. Description of the following: (continued)
2. The proposed total remunerations to be paid to the directors for the year 2020, which will be presented at the annual general meeting for approval.

Name	Board Remuneration Amount in BD
H.E. Shaikh Mohamed bin Isa Al Khalifa	15,000
Mr. Khalid Humaidan	15,000
Dr. Samer Al Jishi	15,000
Mrs. Elham Hasan	15,000
Total Proposed Board Remunerations for the year 2020	60,000

3. Description of the sitting fees paid to the directors for attendance of the Board's committees for the financial year 2020 according to the following table:

	Name	Sitting fees paid for attendance of the Board's committees		
		Name of committee	Sitting fees amount	No. of meetings
1	H.E. Shaikh Mohamed bin Isa Al Khalifa	Board of Directors	1,500	3
		Board Investment Committee	2,500	5
		Board Compensation and Governance Committee	1,000	5
2	Mr. Khalid Humaidan	Board of Directors	1,500	3
		Board Audit and Risk Committee	2,500	5
		Board Investment Committee	2,500	5
3	Dr. Samer Al Jishi	Board of Directors	1,500	3
		Board Investment Committee	2,500	5
		Board Compensation and Governance Committee	1,000	2
4	Mrs. Elham Hasan	Board of Directors	1,500	3
		Board Audit and Risk Committee	2,500	5

- c. Number and dates of the Board's meetings held during the financial year 2020, in addition to the number of times directors attended in person or by visual communication and a description of the directors present by proxy.

Board of Directors Meeting Attendance (BOD) (2020)		
Date of Meeting	Name of Board Member	Attendance
1st Meeting 17/03/2020 (Physical Meeting)	H.E. Shaikh Khalid bin Abdulla Al Khalifa	Present – In person
	H.E. Shaikh Salman bin Khalifa Al Khalifa	Present – In person
	H.E. Shaikh Mohamed bin Isa Al Khalifa	Present – In person
	H.E. Kamal Ahmed	Present – In person
	H.E. Zayed Al Zayani	Present – In person
	Mr. Khaled Alromaihi	Present – In person
	Dr. Samer Aljishi	Present – In person
	Mr. Khalid Humaidan	Present – In person
	Mrs. Elham Hasan	Present – In person
2nd Meeting 02/06/2020 (Virtual Meeting)	H.E. Shaikh Khalid bin Abdulla Al Khalifa	Present – by video conference
	H.E. Shaikh Salman bin Khalifa Al Khalifa	Present – by video conference
	H.E. Shaikh Mohamed bin Isa Al Khalifa	Present – by video conference
	H.E. Kamal Ahmed	Present – by video conference
	H.E. Zayed Al Zayani	Present – by video conference
	Mr. Khaled Alromaihi	Present – by video conference
	Dr. Samer Aljishi	Present – by video conference
	Mr. Khalid Humaidan	Present – by video conference
	Mrs. Elham Hasan	Present – by video conference
3rd Meeting 29/09/2020 (Virtual Meeting)	H.E. Shaikh Khalid bin Abdulla Al Khalifa	Present – by video conference
	H.E. Shaikh Salman bin Khalifa Al Khalifa	Present – by video conference
	H.E. Shaikh Mohamed bin Isa Al Khalifa	Present – by video conference
	H.E. Kamal Ahmed	Present – by video conference
	H.E. Zayed Al Zayani	Present – by video conference
	Mr. Khaled Alromaihi	Present – by video conference
	Dr. Samer Aljishi	Present – by video conference
	Mr. Khalid Humaidan	Present – by video conference
	Mrs. Elham Hasan	Present – by video conference

Our Governance continued

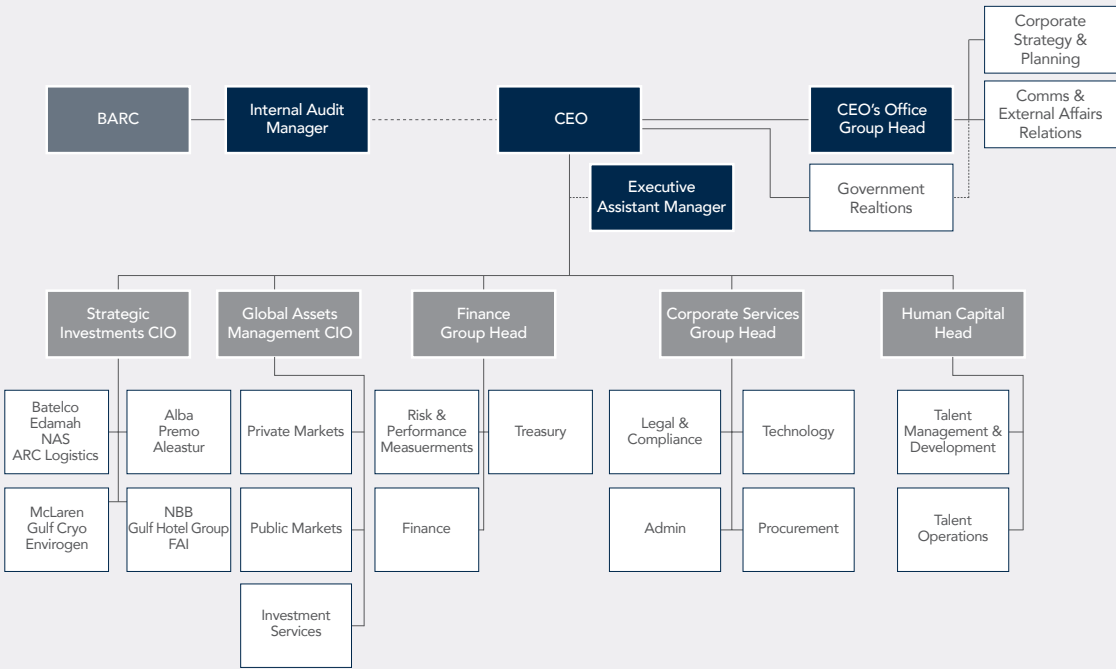
- d. Description of the Board’s duties and competences carried out on its behalf by the Executive Management by delegation of authority, specifying the duration and validity of the delegation.

The Board of Directors did not delegate any of its duties or competencies to the Executive Management during FY20.

- e. Details of transactions with related parties (stakeholders), indicating the nature of relationship and type of transaction.

Note [30] of Mumtalakat’s Consolidated Financial Statements as at December 31, 2020, outlined the full details on transactions with related parties of the Company. Copies of the Consolidated Financial Statements as of December 31, 2020, were distributed to the shareholder and MOICT.

- f. The Company’s organizational structure, including the first and second grades at a minimum and including the Company’s general manager and/or chief executive officer, deputy general manager and managers.



- g. Total remunerations paid to the key executive officers (the top five employees), including salaries, benefits, allowances, increases, stock options, end-of-service benefits, pensions, etc.

Aggregate remunerations paid to the key executive management of the Company is outlined in Note [30] of the Consolidated Financial Statements as of December 31, 2020. Copies of the Consolidated Financial Statements were distributed to the shareholder and MOICT.

4- External Auditors:

- a. Providing shareholders with the auditor’s profile and overview of its professional performance.
KPMG has had a presence in the Kingdom of Bahrain for over 50 years. From a small local accounting firm, founded in 1968 by university friends Jassim M. Fakhro and Hussain Kasim, KPMG in Bahrain has become one of the largest and most prestigious professional services firms in the country. Today, KPMG in Bahrain employs over 300 professional staff and partners. KPMG provides clients a suite of locally- supported Audit, Tax and Advisory services. KPMG also operates as a global network of independent member firms offering audit, tax and advisory services, working closely with clients, helping them to mitigate risks and grasp opportunities. Member firms’ clients include business corporations, governments and public sector agencies and not-for-profit organizations. KPMG member firms can be found in 145 countries. Collectively they employ more than 227,000 people across a range of disciplines.
- b. Fees and charges for the audit or services provided by the external auditor during the year 2020, in addition to a description of the auditor’s years of service as the Company’s external auditor.

Name of the Audit Firm	KPMG Fakhro
Years of service as the Company’s external auditor	2 Years
Name of the partner in charge of the Company’s audit	Jaffar Al Qubaiti
The partner’s years of service as the partner in charge of the Company’s audit	2 Years
Total audit fees for the financial statements for the year 2020 (BD)	36,000
Other special fees and charges for non-audit services other than auditing the financial statements for the year 2020 (BD) if any. In the absence of such fees, this shall be expressly stated	89,216

5- Audit & Risk Committee:

- a. Names, competences and duties of the Audit & Risk Committee members.
The Board Audit & Risk Committee (“BARC”) assists the Board of Directors in independently ensuring and maintaining oversight of the Company’s financial reporting system, internal control and risk management processes, audit functions and legal and regulatory requirements. Pursuant to the BARC Charter, its main responsibilities include assisting the Company’s Board of Directors in identifying and managing principal financial and compliance risks; approving the internal audit plan undertaken by the Internal Auditor; assessing the independence, accountability and effectiveness of the external auditor; and evaluating the adequacy and effectiveness of the Company’s procedures and systems including the management reporting processes; and ensuring compliance with legal and regulatory requirements and internal policies.

The members of the BARC are appointed by the Board of Directors of the Company, and at December 31, 2020, consistent with the Governance Code, BARC was comprised of three members, none of which has any other Board responsibilities that could conflict with his/her obligations as a member of BARC.

The members of the BARC as at December 31, 2020 were as follows:

- Ms. Elham Hasan (**Chairwoman**): Non-Executive and Independent;
- H.E. Mr. Zayed Al Zayani: Non-Executive and Independent; and
- Mr. Khalid Humaidan: Non-Executive and Independent.

Our Governance continued

- b. Number and dates of meetings held by the BARC during the year to discuss issues related to financial statements and any other matters and the number of times members attended the meetings in person.

BARC is required by its Charter to meet at least quarterly, with one meeting coinciding with the financial reporting and audit cycle. BARC met five times during FY20, on March 3, 2020, May 21, 2020, September 24, 2020, December 8, 2020 and December 13, 2020.

The table below shows the meeting dates and attendance by the BARC members:

BARC Meeting Attendance (2020)		
Date of Meeting	Name of Board Member	Attendance
1st Meeting 03/03/2020 (Physical Meeting)	Mrs. Elham Hasan (Chairwoman)	Present – In person
	H.E. Zayed Al Zayani	Present – In person
	Mr. Khalid Humaidan	Present – In person
2nd Meeting 21/05/2020 (Virtual Meeting)	Mrs. Elham Hasan (Chairwoman)	Present – by video conference
	H.E. Zayed Al Zayani	Present – by video conference
	Mr. Khalid Humaidan	Present – by video conference
3rd Meeting 24/09/2020 (Virtual Meeting)	Mrs. Elham Hasan (Chairwoman)	Present – by video conference
	H.E. Zayed Al Zayani	Present – by video conference
	Mr. Khalid Humaidan	Present – by video conference
4th Meeting 08/12/2020 (Virtual Meeting)	Mrs. Elham Hasan (Chairwoman)	Present – by video conference
	H.E. Zayed Al Zayani	Present – by video conference
	Mr. Khalid Humaidan	Present – by video conference
5th Meeting 13/12/2020 (Virtual Meeting)	Mrs. Elham Hasan (Chairwoman)	Present – by video conference
	H.E. Zayed Al Zayani	Present – by video conference
	Mr. Khalid Humaidan	Present – by video conference

6- Compensation and Governance Committee

- a. Names, competences and duties of the Compensation and Governance Committee’s members.
- Mumtalakat combined its compensation and governance in one committee named the Board Compensation and Governance Committee (“BCGC”). BCGC assists the Board of Directors of the Company in identifying and nominating individuals to serve as Board and committee members; recommends the remuneration and rewards policy for employees and, particularly, for the executive directors and executive management team; supports the Chairman of the Board in the performance review of the Board and its committees; and establishes the Company’s corporate governance framework.

The members of the BCGC are appointed by the Board of Directors of the Company and at December 31, 2020, the BCGC was composed of three members.

The members of the BCGC as at December 31, 2020 were as follows:

1. H.E. Shaikh Salman bin Khalifa Al Khalifa (Chairman); Non-Executive and Independent;
2. H.E. Shaikh Mohammed bin Essa Al Khalifa: Non-Executive and Independent; and
3. Dr. Samer Aljishi: Non-Executive and Independent.

- b. Number and dates of meetings held by the BCGC during the financial year and the number of times members attended the meetings in person.

In line with BCGC Charter, BCGC met twice during FY20, on April 15, 2020 and on December 14, 2020.

The table below shows the meeting dates and attendance by the BCGC members:

BCGC Meeting Attendance (2020)		
Date of Meeting	Name of Board Member	Attendance
1st Meeting 15/04/2020 (Virtual Meeting)	H.E. Shaikh Salman bin Khalifa Al Khalifa (Chairman)	Present – by video conference
	H.E. Shaikh Mohamed bin Isa Al Khalifa	Present – by video conference
	Dr. Samer Aljishi	Present – by video conference
2nd Meeting 14/12/2020 (Virtual Meeting)	H.E. Shaikh Salman bin Khalifa Al Khalifa (Chairman)	Present – by video conference
	H.E. Shaikh Mohamed bin Isa Al Khalifa	Present – by video conference
	Dr. Samer Aljishi	Present – by video conference

7- Governance Committee

- a. Names, competences and duties of the BCGC’s members.
- Please refer to section 6 a. above.
- b. Summary of the committee performance report during the year 2020.
- Except as set out in section 9 of this report, the BCGC at its meetings held during FY20, fulfilled its duties and responsibilities in accordance with BCGC Charter.

8- Corporate governance officer’s name, qualifications, date of appointment, and contact details.

Effective November 5, 2020, following Ms. Rima Hadid’s resignation as the Company’s CGO, Mrs. Aysha Abdulmalek, General Counsel assumed the responsibilities of the CGO in the interim until Mrs. Rasha Sabkar, the new Group Head of Corporate Services joined Mumtalakat effective February 1, 2021 and was appointed as the new CGO of the Company.

Mrs. Rasha Sabkar, Group Head of Corporate Services
Lawyer registered with the Ministry of Justice and Islamic Affairs
Contact Details:
E-mail: rasha.sabkar@bmhc.bh
Direct: +973 1756 1130

9- Details of any irregularities committed during the financial year, their causes (if any), and the plan to address them in order to avoid future recurrence.

BCGC and the Board of Directors of the Company have adopted a corporate governance framework in accordance with the Governance Code. Copies of the corporate governance documents which have been adopted by the Company are available on Mumtalakat’s website www.mumtalakat.bh.

During FY20, the Company was in compliance with all material provisions of the Governance Code and its corporate governance framework except to the extent listed below:

Our Governance continued

- a. Pursuant to the Board of Directors Charter, the Board is required to meet at least four times in each financial year, once every quarter. The Board of Directors of the Company met three times during FY20, on March 17, 2020, June 2, 2020, and September 29, 2020, as well as passed resolutions by circulation during the first quarter of 2021 on January 13, 2020. The fourth quarter Board meeting was postponed and held on January 12th, 2021 to allow the Company the opportunity to finalize its revisions of its policies and procedures.
- b. The Governance Code provides that the Board of Directors should determine on an annual basis the independence of its members, and also perform an annual evaluation of the Board as a whole, each individual Director, and each Committee. The Board of Directors did not evaluate the independence of its members, nor conduct an annual evaluation during 2020. However, in the first half of 2021, the Board of Directors did evaluate the independence of its members, and it did conduct an evaluation of the Board as a whole, each individual Director and each of the Board Committees for an evaluation period that commenced on January 1, 2020 and ended on December 31, 2020 (the “Evaluation Period”). The Board conducted the evaluation process by circulating a designed questionnaire to all the Directors asking them a series of questions regarding the performance of the Board as a whole and their own individual performance as well as the evaluation of the Board Committees, each pursuant to its Charter. The results of the review will be reported at the Annual General Meeting to be held in 2021.

10- Description of the cash and in-kind contributions made by the Company during the year 2020 for the purpose of community development and environment preservation (In the absence of contributions, it should be stated that the Company did not make any contributions), indicating the recipients of these contributions. The Company is fully aware of its corporate social responsibilities. In the past, the Company has performed its corporate social responsibilities through participation in social activities.

However, 2020 was filled with unprecedented challenges for businesses and economies around the globe, and as a result, the Company focused instead on taking steps to safeguard the health and safety of its employees, while minimizing potential disruption to its business. In this vein, the Company enhanced its regime of workspace cleaning and sanitization, distribution of individual sanitizer and masks to its employees and visitors and made digital thermometers available at the entry to its offices in order to check the temperatures of all staff and visitors on a daily basis. The Company also arranged for its employees to take COVID tests on three separate occasions. Furthermore, the Company established rotational work plans to mitigate the operational risk of employees falling ill, increased the technology bandwidth to support a higher population working remotely, and conducted meetings remotely via Microsoft Teams and Zoom applications.

The Company’s Code of Conduct sets out the principles and corporate culture that should be followed towards all stakeholders while maintaining high standards of accountability, transparency, social responsibility, and ethical behavior.

Gender diversity and balance is critical to the advancement and sustainability of businesses as they continue to grow, enhance decision making and business outcomes, foster innovation and facilitate the growth of an inclusive culture. A vital part of Mumtalakat’s strengths and success are the female staff who currently represent 41% of total employees, 56% of executive management and 40% of all managerial positions withing the organization.

- a. Statement of shareholders’ equity as of 31/12/2020 (individuals, corporate, government or organizations) to be classified as follows: Local, Gulf, Arab, and foreign.

	Shareholder classification	Shareholding %			
		Individuals	Corporate	Governemnt or Organizations	Total
1	Local	-	-	100%	100%
2	Arab	-	-	-	-
3	Foreign	-	-	-	-
	Total	-	-	100%	100%

- b. Description of the shareholders who hold 5% or more of the Company’s share capital, indicating the name of the natural person who holds the shares, the final beneficiary, as at 31/12/2020 as follows:

	Name	Number of shares held	Shareholding %	Name of the natural person, the final beneficiary
1	Government of Bahrain	2,000,000,000	100%	Wholly owned by the Government of Bahrain

- c. Description of how shareholders are distributed according to their respective shareholding as at 31/12/2020 as follows:

	Shareholding (share)	No of shareholders	Number of shares held	Shareholding %
1	<50,000	-	-	-
2	50,000 to 500,000	-	-	-
3	500,000 to 5,000,000	-	-	-
4	>5,000,000	1	2,000,000,000	100%

- d. Description of the significant events that occurred during the year 2020. Neither the Board of Directors, nor any of its committees considered any issues that were outside of the ordinary course of business during FY20.

Our Governance continued

11- Compliance with the provisions of the Corporate Governance Code, as follows:

Principle	Non-compliant	Partially Compliant	Fully Compliant	Explanation in case of non-compliance
Principle 1: The Company shall be headed by an effective, qualified and expert board.			✓	
Principle 2: The directors and executive management shall have full loyalty to the company.			✓	
Principle 3: The Board shall have rigorous controls for financial audit and reporting, internal control, and compliance with law.			✓	
Principle 4: The Company shall have effective procedures for appointment, training, and evaluation of the directors			✓	
Principle 5: The Company shall remunerate directors and senior officers fairly and responsibly.			✓	
Principle 6: The Board shall establish a clear and efficient management structure for the Company and define the job titles, powers, roles and responsibilities.			✓	
Principle 7: The Company shall communicate with shareholders, encourage their participation, and respect their rights.			✓	

Principle 8: The Company shall disclose its corporate governance.			✓	
Principle 10: The Board shall ensure the integrity of the financial statements submitted to shareholders through appointment of external auditors.			✓	
Principle 11: The Company shall seek through social responsibility to exercise its role as a good citizen.			✓	

12- Any disclosures required by the regulatory authorities.
The Company is not subject to any additional disclosures mandated by the regulatory authorities.



H.E. Shaikh Khalid bin Abdulla Al Khalifa
Chairman

Date: 30/05/2021



Official Seal of the Company

Board of Directors

We are guided by our Board of Directors, which is comprised of nine members representing the public and the private sectors.

Our Board is appointed to four-year terms by resolution of the Economic Development Board (EDB) of which HRH Prince Salman bin Hamad Al Khalifa, Crown Prince, Deputy Supreme Commander and First Deputy Prime Minister, serves as Chairman.

This is supplemented by a quarterly risk report that is submitted to our Executive Management Committee and BARC, presenting risks that Mumtalakat faces, or could potentially face, and classified into risk categories from low to critical.



HE Shaikh Khalid bin Abdulla Al Khalifa
Deputy Prime Minister & Chairman of the Board of Directors

HE Shaikh Khalid has been the Deputy Prime Minister of the Kingdom of Bahrain since 2010. Prior to that, he was the Minister of HRH the Prime Minister's Court. He began his career as a Roads Engineer in the Directorate of Works in 1966.



HE Shaikh Salman bin Khalifa Al Khalifa
Minister of Finance and National Economy

HE Shaikh Salman is the Minister of Finance and National Economy. He has served as the Director General of the Office of the First Deputy Prime Minister since its establishment in 2013 until 2018 where he pursued the implementation of the initiatives launched by HRH the Crown Prince, Deputy Supreme Commander and First Deputy Prime Minister.



HE Kamal bin Ahmed Mohammed
Minister of Transportation & Telecommunications

HE Engineer Kamal bin Ahmed Mohammed was appointed as Minister of Transportation in 2012 and as Minister of Transportation & Telecommunications in 2014. He is responsible for Bahrain's transport infrastructure covering policy, regulation and the development and delivery of projects to meet the Kingdom's future transportation, telecommunications and postal needs.



HE Zayed bin Rashid Alzayani
Minister of Industry, Commerce and Tourism

HE Zayed bin Rashid Alzayani was appointed Minister of Industry, Commerce and Tourism in December 2014. Prior to his appointment, Alzayani led his family business as the chairman of Alzayani Investments, Euro Motors, Zayani Motors, Zayani Leasing, Zayani Properties, Alzayani Industries and Orient Motors.



HE Khalid Al Rumaihi
Chief Executive Officer, Mumtalakat

HE Khalid Al Rumaihi was appointed Chief Executive Officer of Mumtalakat in 2019. Prior to joining Mumtalakat, he served as Chief Executive of the Bahrain Economic Development Board (EDB) where he was responsible for channeling inward investments into the country. He continues to play an active role as a Board Member of the EDB.



Khalid Humaidan
Chief Executive, Bahrain Economic Development Board

Khalid Humaidan was appointed Chief Executive of the Bahrain Economic Development Board (EDB) in September 2019. Prior to that, he was BNP Paribas Head of Global Markets – Middle East and Africa, based in Bahrain, where he was responsible for the organisation's capital markets business, which delivers cross-asset solutions to institutional and corporate clients.



Dr. Samer Al Jishi
Managing Director of BFG International

Dr Al Jishi leads one of the Middle East's foremost multinational industrial groups, BFG International. After a distinguished career in academia, Dr Al Jishi joined BFG International in 1992 and has brought it forward from a small industrial firm into what it is today, a large leading global firm.



Elham Hasan
Business Strategy Advisor

Recognised by Forbes as one of the most influential women in the Middle East, Hasan is a prominent businesswoman in the Kingdom of Bahrain. She is currently the Chairperson of Taaheel Health Group and the chairperson for the Bahrain Bourse Disciplinary. She also sits on the board of BBK Bahrain, Solidarity Group Holding, and BNP Paribas Investment Company in KSA.



HE Shaikh Mohamed bin Isa Al Khalifa
Political and Economic Advisor to HRH Crown Prince's Court

HE Shaikh Mohamed was appointed as Political and Economic Advisor to HRH the Crown Prince's Court in 2012. He served as Chief Executive of the Economic Development Board of Bahrain from 2005 until 2012.

Senior Management



HE Khalid Al Rumaihi
Chief Executive Officer, Mumtalakat



Omar Syed
Chief Investment Officer - Strategic Investments

HE Khalid Al Rumaihi was appointed Chief Executive Officer of Mumtalakat in 2019. Prior to joining Mumtalakat, he served as Chief Executive of the Bahrain Economic Development Board (EDB) where he was responsible for channeling inward investments into the country. He continues to play an active role as a Board Member of the EDB.

Omar Syed joined Mumtalakat in February 2021 as Chief Investment Officer – Strategic Investments. Prior to Mumtalakat, Omar was Senior Vice President at DICO Group where he was responsible for managing private equity investments globally for the family office. Omar has also previously worked for the Abraaj Turkey Fund where he was responsible for raising the fund while managing a team of investment professionals focused on mid-market PE opportunity in Turkey across sectors.



Rania Al Shirawi
Group Head - CEO's Office



Suha Karzoon
Group Head - Finance

Al Shirawi joined Mumtalakat in December 2019 as VP – Project Management, bringing with her nearly 15 years of experience in reform, strategy development, organisation performance management, communications, and corporate planning. Prior to joining Mumtalakat, she worked for the Economic Development Board (EDB) as Chief Strategy Officer.

Karzoon joined Mumtalakat in September 2014 and currently holds the role of Chief Financial Officer, overseeing the Finance and Treasury functions. As Chief Financial Officer, she is responsible for implementing effective financial policies.



Rasha Sabkar
Group Head - Corporate Services



Marwa Al Saad
Head - Human Capital

Rasha Sabkar joined Mumtalakat in February 2021 as Group Head – Corporate Services and Board Secretary. Prior to Mumtalakat, Rasha worked for Investcorp where she served as Deputy General Counsel and Board Secretary, leading the firm's transactions and strategic initiatives across the organisation's offices in the Gulf, India, and Singapore, in addition to handling legal matters for Investcorp's North American and European transactions.

Al Saad joined Mumtalakat in November 2019 as VP – Human Resources. She brings over 10 years of experience in the field of human resources management, ranging from performance management to organisational development and effectiveness.



Aysha Abdulmalek
General Counsel



Hussain Alsabea
Head of Information Technology

Appointed as General Counsel in October 2017, Abdulmalek manages the legal division and facilitates all legal related support including Mumtalakat's corporate compliance with statutory and regulatory requirements, as well as providing investment and corporate legal support and developing risk mitigation strategies.

Hussain Alsabea joined Mumtalakat in September 2020 as Head of Information Technology. With 15 years of experience working for both local and global companies across the financial and manufacturing sectors, Hussain has a proven track record for developing and implementing robust IT strategies that deliver cost effective business solutions that are aligned with organisational objectives.

Risk Management

Risk management is a key component of our approach to ensure that risks are sufficiently measured, monitored, and managed across our company.

Our Board of Directors holds the ultimate responsibility for establishing our risk culture and ensuring that a robust risk management framework is in place. The Board of Directors has delegated these duties to the Board Audit & Risk Committee (BARC), which is responsible for assisting the Board in identifying and managing the principal risks of the company, and monitoring the adequacy of the risk management and reporting processes. Mumtalakat has implemented a risk management governance structure based on the three-lines-of-defence model. Business and support functions are responsible for managing day-to-day risks in their areas, and Risk Champions are embedded into all major units to strengthen risk management. A central Risk Management and Performance Measurement Department (RMPM) collaborates with the business and support functions and ensures that the various risks Mumtalakat could potentially be exposed to are being sufficiently measured, monitored, and managed in accordance with Board approved policies. RMPM also acts as independent oversight and provides an independent perspective on investment and process related decision to relevant committees. It presents a quarterly risk report to our Executive Management and BARC on the implementation of the risk framework and key risks that Mumtalakat could face. A comprehensive standard risk report is supplemented with topical discussions of material risks with relevance to decisions.


Internal and external audit provide further independent assurance on the control infrastructure.

Corporate Social Responsibility

2020 was filled with unprecedented challenges for businesses and economies around the globe, and as a result, the Company focused on taking steps to safeguard the health and safety of its employees, while minimizing potential disruption to its business. In this vein, the Company enhanced its regime of workspace cleaning and sanitization, distribution of protective equipment to its employees and visitors and made digital thermometers available at the entry to its offices in order to check the temperatures of all staff and visitors on a daily basis. Furthermore, the Company established rotational work plans to mitigate the operational risk of employees falling ill, increased the technology bandwidth to support a higher population working remotely, and conducted meetings remotely via Microsoft Teams and Zoom applications.



Independent Auditors’ Report



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Audit
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Website: home.kpmg/bh
CR No. 6220

INDEPENDENT AUDITORS’ REPORT ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS

Bahrain Mumtalakat Holding Company B.S.C (c)
Kingdom of Bahrain

Opinion
The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at 31 December 2020, the summary consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and related note, are derived from the audited consolidated financial statements of Bahrain Mumtalakat Holding Company B.S.C (c) (“the Company”) and its subsidiaries (together “the Group”) for the year ended 31 December 2020.


In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, on the basis described in Note 1.

Summary Consolidated Financial Statements
The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated financial statements and our report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and our report thereon. The summary consolidated financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

The Audited Consolidated Financial Statements and Our Report Thereon
We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 27 May 2021.

Responsibility of the Board of Directors for the Summary Consolidated Financial Statements
Board of Directors is responsible for the preparation of the summary consolidated financial statements on the basis described in Note 1.

Auditors’ Responsibility
Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), “Engagements to Report on Summary Financial Statements.”



KPMG Fakhro
Partner registration number 83
29 June 2021

Credit Ratings

Linaburg-Maduel Transparency Index
10/10 transparency rating

Fitch Ratings			
Long-term	Issuer	Default	Rating: B+
Senior	Unsecured		Rating: B+
Short-term	Issuer	Default	Rating: B

Standard & Poor’s			
Long-term	Issuer	Credit	Rating: B+
Short-term	Issuer		Rating: B
Outlook: Stable			

Consolidated Statement of Financial Position

31 December 2020

	2020 BD '000	2019 BD '000
ASSETS		
Cash and bank balances	198,078	256,071
Derivative financial instruments	8,598	6,401
Trade receivable, prepayments and other receivables	303,029	451,475
Inventories	322,770	314,743
Investments carried at fair value through statement of income	497,526	448,944
Investment in associates and joint ventures	950,814	713,827
Investment properties	399,112	466,576
Property, plant and equipment	2,846,888	3,030,388
Other assets	175,501	146,453
Intangible assets	716,545	723,872
Goodwill	222,529	521,800
TOTAL ASSETS	6,641,390	7,080,550
LIABILITIES AND EQUITY		
Liabilities		
Borrowings	2,393,650	1,934,101
Derivative financial instruments	12,079	9,542
Lease liabilities	517,014	567,317
Trade payable, accruals and other liabilities	815,006	1,260,155
Employees' end of service benefits	11,803	13,486
TOTAL LIABILITIES	3,749,552	3,784,601
EQUITY		
Share capital	2,000,000	2,000,000
Capital contribution	341,389	466,111
Statutory reserve	62,609	62,609
Other reserves	48	(12,058)
Retained earnings	34,792	215,675
Total equity attributable to shareholder of the parent	2,438,838	2,732,337
Non-controlling interests	453,000	563,612
TOTAL EQUITY	2,891,838	3,295,949
TOTAL LIABILITIES AND EQUITY	6,641,390	7,080,550



Khalid bin Abdullah Al Khalifa
Chairman



Khaled Alrumaihi
Director and Chief Executive Officer



Suha S. Karzoon
Managing Director - Finance

Consolidated Statement of Income

Year ended 31 December 2020

	2020 BD '000	2019 BD '000
Revenue	1,615,513	2,299,738
Direct costs	(1,584,678)	(1,963,498)
Gross Profit	30,835	336,240
Dividend income	8,609	12,897
Fair value gain on investments carried at fair value through statement of income	54,267	75,046
Other operating income	106,108	26,889
Government assistance	59,452	30,606
Selling and distribution expenses	(68,612)	(107,818)
Administrative expenses	(233,200)	(246,684)
Other operating expenses	(5,890)	(2,219)
Operating (loss) / profit	(48,431)	124,957
Share of profit of associates and joint ventures	42,808	60,223
Interest income	6,749	5,925
Interest expense	(116,455)	(87,902)
Fair value loss on other financial instruments (net)	(57,730)	(18,867)
Impairment losses	(376,603)	(135,667)
NET LOSS BEFORE TAX FOR THE YEAR	(549,662)	(51,331)
Income tax credit / (expense) for the year	22,114	(1,432)
NET LOSS FOR THE YEAR	(527,548)	(52,763)
Attributable to:		
Shareholder of the parent	(417,879)	(48,908)
Non-controlling interests	(109,669)	(3,855)
	(527,548)	(52,763)



Khalid bin Abdullah Al Khalifa
Chairman



Khaled Alrumaihi
Director and Chief Executive Officer



Suha S. Karzoon
Managing Director - Finance

Consolidated Statement of Comprehensive Income

Year ended 31 December 2020

	2020 BD '000	2019 BD '000
NET LOSS FOR THE YEAR	(527,548)	(52,763)
Other comprehensive income		
Items that are or may be reclassified to consolidated statement of income in subsequent periods		
Movement in cumulative changes in fair values	(9,848)	-
Share of changes in equity of associates	1,477	10,101
Foreign currency translation	17,085	33,751
Items that will not be reclassified to consolidated statement of income in subsequent periods		
Remeasurement gain on defined benefit plan	1,810	65
Total other comprehensive income for the year	10,524	43,917
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(517,024)	(8,846)
Attributable to:		
Shareholder of the parent	(405,773)	(15,484)
Non-controlling interests	(111,251)	6,638
	(517,024)	(8,846)

Consolidated Statement of Cash Flows

Year ended 31 December 2020

	2020 BD '000	2019 BD '000
OPERATING ACTIVITIES		
Net loss before tax for the year	(549,662)	(51,331)
Adjustments for:		
Depreciation	207,421	160,430
Amortisation	108,298	78,080
Fair value loss on other financial instruments	57,730	18,867
Fair value gain on investments carried at fair value through statement of income	(54,267)	(75,046)
(Gain)/loss on sale of associates and assets held for sale	-	647
Gain on derecognition on loss of control of a subsidiary	(50,608)	-
Gain on transfer of investment properties	(17,762)	-
Share of profits of associates and joint venture	(42,808)	(60,223)
Impairment losses	376,603	135,667
Provision for impairment on trade receivables and other receivables	6,474	2,804
Provision for impairment of inventories	3,698	9,505
(Gain)/ loss on property, plant and equipment	(6,684)	268
Interest income	(6,749)	(5,925)
Interest expense	116,455	89,550
Employees' end of service benefits	3,343	3,271
Operating profit before changes in operating assets and liabilities	151,482	306,564
Changes in operating assets and liabilities:		
Inventories	(20,431)	32,764
Trade receivable, prepayments and other receivables	146,282	(49,066)
Trade payable, accruals and other liabilities	(208,685)	206,388
Cash from operating activities	68,648	496,650
Interest paid	(105,820)	(120,950)
Income tax paid	(345)	(2,194)
Derivative financial instruments	(13,882)	(13,755)
Employees' end of service benefits paid	(5,026)	(3,012)
Net cash (used in) / from operating activities	(56,425)	356,739
INVESTING ACTIVITIES		
Investment in associates and joint venture	(24,289)	(40,618)
Cash and cash equivalent of a subsidiary transferred during the year	-	(6,244)
Proceeds from sale of associates	-	4,320
Purchase of investments carried at fair value through statement of income	(5,371)	(8,963)
Proceeds from sale of investments carried at fair value through statement of income and other investments	11,407	94,598
Purchase of property, plant and equipment	(189,019)	(401,617)
Proceeds from disposal of property, plant and equipment	7,268	47,635
Investment in properties	(4,821)	(8,242)
Proceeds from sale of investment properties	-	922
Intangible assets	(126,359)	(153,968)
Other assets	(5,420)	(20,820)
Short term deposits	40,948	(26,304)
Interest received	6,468	5,246
Dividends from associates and joint ventures	42,635	39,624
Net cash used in investing activities	(246,553)	(474,431)

Consolidated Statement of Cash Flows continued

Year ended 31 December 2020

	2020 BD '000	2019 BD '000
FINANCING ACTIVITIES		
Proceeds from borrowings	1,326,996	1,794,810
Repayment of borrowings	(980,774)	(1,669,748)
Lease Liabilities payments	(58,943)	(55,033)
Dividend paid to shareholder of the parent	(30,000)	(30,000)
Dividend paid to non-controlling interests	(623)	(312)
Shares issued to non-controlling interests	-	26,140
Movement in non-controlling interests (net)	940	(278)
Net cash from financing activities	257,596	65,579
DECREASE IN CASH AND CASH EQUIVALENTS	(45,382)	(52,113)
Exchange loss on cash and cash equivalent	21,577	(639)
Cash and cash equivalents at beginning of the year	194,188	246,940
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	170,383	194,188

Consolidated Statement of Changes in Equity

Year ended 31 December 2020

	Attributable to shareholder of the parent						Non-controlling interests	Total equity
	Share capital BD '000 (note 18)	Capital contribution BD '000 (note 18)	Statutory reserve BD '000 (note 19)	Other reserves BD '000 (note 20)	Retained earnings BD '000	Total BD '000	BD '000	BD '000
Balance at 31 December 2018	2,000,000	463,678	62,609	(45,802)	293,391	2,773,876	534,903	3,308,779
Net loss for the year	-	-	-	-	(48,908)	(48,908)	(3,855)	(52,763)
Other comprehensive income	-	-	-	33,424	-	33,424	10,493	43,917
Total comprehensive income	-	-	-	33,424	(48,908)	(15,484)	6,638	(8,846)
Contribution by the shareholder	-	2,433	-	-	-	2,433	-	2,433
Dividend paid to shareholder of the parent	-	-	-	-	(30,000)	(30,000)	-	(30,000)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(312)	(312)
Shares issued to non-controlling interests of a subsidiary	-	-	-	320	1,944	2,264	23,876	26,140
Acquisition of subsidiaries	-	-	-	-	-	-	(1,967)	(1,967)
Other movement in non-controlling interests	-	-	-	-	(752)	(752)	474	(278)
Balance at 31 December 2019	2,000,000	466,111	62,609	(12,058)	215,675	2,732,337	563,612	3,295,949
Net loss for the year	-	-	-	-	(417,879)	(417,879)	(109,669)	(527,548)
Other comprehensive income	-	-	-	12,106	-	12,106	(1,582)	10,524
Total comprehensive income	-	-	-	12,106	(417,879)	(405,773)	(111,251)	(517,024)
Contribution by the shareholder	-	146,330	-	-	-	146,330	-	146,330
Dividend paid to shareholder of the parent	-	-	-	-	(30,000)	(30,000)	-	(30,000)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(623)	(623)
Share of change in other movement in equity of associate	-	-	-	-	(3,734)	(3,734)	-	(3,734)
Accumulated losses offset against capital contribution	-	(271,052)	-	-	271,052	-	-	-
Other movement in non-controlling interests	-	-	-	-	(322)	(322)	1,262	940
Balance at 31 December 2020	2,000,000	341,389	62,609	48	34,792	2,438,838	453,000	2,891,838