



Chairman's Report For the year ended, 31st December 2021

In the name of Allah, Most Gracious, Most Merciful

On behalf of myself and the members of the Board of Directors, I am pleased to present the Group annual report for the financial year ended on 31st of December 2021.

Overall Group Performance

It is well noted that in the midst of challenges and difficult disruptions, the opportunity for change arises, both on an individual and institutional level; it allows for internal assessment and external evaluation; it is in fact an opportunity to set one's course if not explore new directions. The COVID pandemic proved initially to be a global disruption, however, it also proved an opportunity for INOVEST to take stock of its position, to improve operationally and administratively, and to gear up for both the opportunities and quite likely the challenges within the years to come. And so, we close on a second year of an unprecedented pandemic, with INOVEST remaining on track, having evaluated, re-assessed, and prepared for a new cycle of development and growth.

To delve on a more detailed level, despite the challenges that the world faced with the continued impact of the COVID 19 pandemic, INOVEST was still able to deliver another profitable year. INOVEST delivered a consolidated net profit attributable to parent shareholders of US\$746 thousand, and a Basic and Diluted Earnings Per Share of the parent company of US cents 0.25. The total operating income for 2021, stood at US\$ 5.57 million, a 38% decline from the US\$ 8.99 million recorded in 2020, due in large to a decline in revenues in the Group's construction and the real estate investments; we see this as a repercussion of the COVID 19 pandemic which throughout 2021 whittled away at both public and private construction project flow, and saw in addition, the decline of occupancy in existing real estate projects. Having said this, the first glimmers of revival are apparent, we witnessed this within our key subsidiary and contracting arm Tamcon which received winning bids for substantial new developments, as disclosed below, as well as a gradual improvement in occupancy within our real estate asset portfolio. Operating expenses also saw an improvement, dropping by 17% as a result of Group-wide stringent controls. Accordingly, and based on the positive developments detailed below, INOVEST's share price recorded new and record high levels of performance, all of which ultimately pours into an increase in shareholder value.

As noted, INOVEST used much of this year to consistently take stock, to evaluate, to assess and to strengthen its position where needed. Accordingly, across its investment portfolio, as well as administratively, several milestone developments took place. First and foremost, INOVEST disclosed entry into a sizeable agreement for the development of Dannat Resort via an agreement between First Gulf Real Estate Company (FGREC), in which INOVEST is a major investor, and Sumou Holding, a Saudi based mega-developer. This agreement will see the raw spaces of Dannat Resort dredged, reclaimed, and full infrastructural works developed as well as sales and marketing of a real estate properties within a highly sought-after area. Ultimately, this presents the starting point and markings of clear roadmap towards the Group's exit from a major investment. Within the company's subsidiaries, Tamcon Contracting has staked an ever-growing position as a key local contracting company having won tenders with a total value of over US\$ 70 million, all of which cements the strength of the Group position over the coming years. BIW Labour Accommodations have also seen expansion, as the project furthered work on 6 new buildings, and on additional floors within the existing properties, as well as the completion and introduction of a set of retail outlets concept to serve residents of BIW LAC community. Within our storage and logistics investments, Takhzeen has maintained consistent growth, proving the resilience of the sector within unprecedented times. This has compelled the Group to assess the prospect of expansion within the country and beyond the boundaries of the Kingdom of Bahrain. Within its newer investments, such as Advanced Projects Group Holding WLL, which is the only specialized regional manufacturer of Wood Plastic Composite (WPC) products, the company witnessed 3-fold growth and record sales reaching KD 1.3 million despite extraordinary market conditions and pandemic-driven lockdowns. Accordingly, AIM has expanded its existing facility, and has further commissioned a new manufacturing 13,000 sq ft plant. By all counts, we expect to see solid and organic growth continue within this investment. The Group also successfully managed and closed a number of key legal and operational issues which played a pivotal role in supporting the Group's financial position as well as laying the foundations for the next phase of growth and development.

Future Outlook

We are hopeful that the more serious business and societal challenges of the Covid pandemic are now well accounted for, if not hopefully, behind us. Our focus and the way forward will be defined by three principles:

INOVEST.

resilience, reorganization, and renewal. These will be the underlying tone of our new strategic cycle at a Group wide level, and of the sustainability and growth we expect as a result of its implementation. We look forward to updating you on it, in due course. What we do know, and what will remain unchanged is that INOVEST will stay true to and be guided by its mandate and principles of standing amongst the ranks of leading investment organizations within the region.

In Closing

In my capacity as Chairman of INOVEST, and on behalf of my colleagues the members of the Board of Directors, we take this opportunity to extend our appreciation and thanks to our shareholders, for their ongoing support. Additionally, we thank our investors, partners, and all our stakeholders for their belief and dedication; of particular reference are the Central Bank of Bahrain and Ministry of Industry, Commerce, and Tourism for their consistent support. We would also like to recognize the executive team and all our staff members within the Group who have performed exceptionally while adjusting to the disruption of their working lives, and of normal life in general. We are grateful for the efforts of our team as a whole. We pray to Almighty Allah to protect the Kingdom of Bahrain under the wise leadership of His Majesty King Hamad bin Isa Al Khalifa and ask Almighty Allah to guide and support us and pave our way to achieving continued success.

As part of the Group's commitment to maintaining transparency with our esteemed shareholders, we enclose below the Board of Directors and executive management's remuneration for the year ended December 31st, 2021.

Name	Fixed remunerations				
	Remunerations of the chairman and BOD	Total allowance for attending Board and committee meetings	Salaries	Others*	Total
First: Independent Directors:					
1. Mohammad Al-Shalfan	-	3,710	-	-	3,710
2. Abdullah Al-Abduljader	-	1,200	-	-	1,200
3. Ausama Abdulrahim Al-Khaja	-	1,800	-	-	1,800
4. Mohamed Al Matook	-	2,450	-	-	2,450
5. Dr. Abdulaziz Al Dakheel	-	3,045	-	-	3,045
6. Dr. Omar Salem Al Mutawa**	10,000	450	-	-	10,450
7. Meshari Fuad Al Fozan **	5,000	450	-	-	5,450
8. Khaled Abdulaziz Al Ghanem**	5,000	450	-	-	5,450
9. Meshal Yousef Al Zayed**	5,000	450	-	-	5,450
10. Bashar Naser Al Tuwaijri	5,000	450	-	-	5,450
Second: Executive Directors:					
1. Abdulaziz Asaad Al-Sanad	-	3,290	-	-	3,290
2. Mohammad Salah Al-Ayoub	--	2,450	-	-	2,450
3. Abdulrahman Al Nesef**	5,000	450	-	-	5,450
4. Yaqoub Yousef Bandar **	5,000	600	-	-	5,600
Total	40,000	21,245	-	-	61,245

Note: All amounts must be stated in Bahraini Dinars.

* It includes in-kind benefits – specific amount - remuneration for technical, administrative, and advisory works (if any).

** Board of Directors whose Board membership term ended in 2021.

Executive management	Total paid salaries and allowances	Total paid remuneration (Bonus)	Any other cash/ in kind remuneration for 2021	Aggregate Amount
Top 6 remunerations for executives, including CEO* and Senior Financial Officer**	340,706			340,706

Note: All amounts must be stated in Bahraini Dinars.

*The highest authority in the executive management of the company, the name may vary: (CEO, President, General Manager (GM), Managing Director...etc)

**The company's highest financial officer (CFO, Finance Director, ...etc)

On behalf of the Board of Directors,



Mohammed Hamed Al Shalfan
Chairman