Chairman's Report
For the Year Ended 31 December 2025

On behalf of the Board of Directors of **Inovest**, I am pleased to present the Group's Annual Report for the financial year ended 31 December 2025.

Group Performance

The economies of the Gulf Cooperation Council (GCC) countries gained further momentum during 2025, supported by structural reforms and achieving varying growth rates that were, overall, higher than those recorded in 2024. This growth was driven primarily by non-oil sectors, while the region remained sensitive to oil price movements and global volatility. The overall direction of GCC countries remains positive toward more diversified economies, expanded investments in artificial intelligence technologies, digital infrastructure, and broader digital adoption.

While the oil sector continues to play a pivotal role in GCC economies, non-oil exports remain modest, led mainly by chemical products. This underscores the need for continued efforts to reduce reliance on oil. Fiscal sustainability and deepening private sector participation remain key challenges, requiring sustained implementation of national vision strategies and disciplined fiscal management to mitigate the risks associated with oil price volatility, geopolitical tensions, and potential reform slowdowns.

Economic diversification and digital transformation have become essential for long-term stability and prosperity. GCC countries are well positioned to achieve a digital leap, supported by robust infrastructure, expanding computing capabilities, and advanced AI-related skills. The region enjoys over 90% 5G network coverage and high-speed internet at competitive prices. Significant investments in data centers and high-performance computing systems have strengthened regional AI readiness, supported by financing and innovation ecosystems that encourage advanced technology projects. Sustainability considerations also require proactive responses to labor market and environmental challenges, further enhancing the region's digital competitiveness.

At the end of the financial year 2025, Inovest Group reported a net loss attributable to shareholders of the parent company of USD 18.634 million, compared to a net loss of USD 8.524 million in 2024, representing an increase of 119%. Accordingly, the Group recorded a basic and diluted loss per share of US cents 6.15, compared to a loss of US cents 2.81 in

2024. Other comprehensive income for the year amounted to USD 35 thousand, compared to a loss of USD 358 thousand in the previous year.

However, consolidated operating net loss decreased to USD 3.855 million, compared to a net loss of USD 8.167 million for the same period in 2024. The primary reason for the overall annual performance was the recognition of prudent provisions related to a legal case. The results also included additional provisions associated with the exit from the contracting sector. Furthermore, financial performance was impacted by provisions relating to Bin Faqeeh Real Estate Investment Company in connection with a real estate development project in one of the associate companies.

On the other hand, consolidated operating income increased to USD 4.299 million, compared to an operating loss of USD 134 thousand recorded during the same period last year. Operating expenses increased slightly by 1% to USD 8.15 million, compared to USD 8.03 million at the end of 2024. The Group's sustainable sectors delivered notable performance during the year, with the storage sector achieving positive results. The Company intends to expand in both sectors based on its operational expertise and capabilities. In addition, the Group is close to launching a new residential development project valued at over USD 18.6 million and is simultaneously working to expand its investment activities through the launch of a digital investment platform.

With respect to key balance sheet indicators, total shareholders' equity attributable to the parent company reached USD 117.500 million at the end of 2025, compared to USD 136.099 million at the end of 2024, representing a decrease of 14%. During the same period, total consolidated assets decreased slightly by 5% to USD 215.002 million, compared to USD 227.427 million at the end of 2024. Cash and bank balances represented 5% of total consolidated assets, consistent with the prior year. Accordingly, total cash and bank balances amounted to USD 10.468 million, compared to USD 10.658 million at the end of 2024, representing a decrease of 2%.

Future Outlook

As we enter 2026, GCC economic policies are increasingly focused on strengthening resilience through trade, investment, and supply chain initiatives, alongside the adoption of advanced technologies and workforce transformation in an AI-driven economy. Enhancing fiscal resilience in a lower oil price environment remains a priority. These policy directions will shape the region's economic trajectory in the coming years.

Governments are expected to broaden and diversify trade and investment relationships, enhance the security of critical mineral and industrial supply chains, and accelerate the practical deployment of AI ambitions across priority sectors, as infrastructure constraints continue to ease. At the same time, fiscal policies are adapting to lower oil and gas revenues through expenditure reprioritization, asset monetization, liability management, and strengthening non-oil revenues.

Collectively, these developments suggest that 2026 will build on the momentum of 2025, deepening economic resilience and accelerating diversification across five key pillars that will define the next phase.

In line with this direction, Inovest’s strategy is based on diversifying income sources. The Company plans to launch an interactive digital investment platform targeting investors across multiple sectors, including real estate, private investments, and Sukuk. The Company also places significant emphasis on developing its land bank portfolio to deliver high-quality residential products. All necessary licenses have recently been obtained to commence development and construction works. The Company will continue its efforts to enhance the performance of its investment portfolios.

Conclusion

On my own behalf and on behalf of the Board of Directors, I would like to express our sincere appreciation to our valued shareholders for their continued trust and support. We also extend our gratitude to our clients, investors, executive management team, and fellow Board members for their active participation in Board and committee meetings and their valuable contributions in shaping the Group’s strategic direction. Our thanks also go to all our employees for their dedication, commitment, and relentless efforts in enhancing the Group’s performance.

We further extend our appreciation to all supporting authorities, in particular the Central Bank of Bahrain, the Ministry of Industry and Commerce, and Bahrain Bourse for their continued support.

Finally, we pray to Almighty Allah to safeguard the Kingdom of Bahrain and its wise leadership under His Majesty Hamad bin Isa Al Khalifa, and with the continued guidance and support of His Royal Highness Salman bin Hamad Al Khalifa, Crown Prince and Prime Minister. We ask Allah to grant us continued success and guidance in our journey forward

For the Board of Directors,

Yaqoub Yousef Bandar

Chairman of the Board of Directors

Disclosure forms for the remuneration of members of the board of directors and the executive management in the report of the board of directors

First: Board of directors' remuneration details:

Name	Fixed remunerations				Variable remunerations				End-of-service award	Aggregate amount (Does not include expense allowance)	Expenses Allowance
	Remunerations of the chairman and BOD***	Total allowance for attending Board and committee	Others*	Total	Remunerations of the chairman and BOD	Incentive plans	Others**	Total			
First: Independent Directors:											
1- Yaqoub Yousef Ali Bandar	-	8,436	-	8,436	-	-	-	-	-	8,436	-
2- Abdullah Al- Abduljader	-	4,550	-	4,550	-	-	-	-	-	4,550	-
3- Mohamed Al Matook	-	4,750	-	4,750	-	-	-	-	-	4,750	-
4- Ahmed Mohammed Al Bassam	-	3,650	-	3,650	-	-	-	-	-	3,650	-
5- Husain Abdulhameed Al Shehab	-	500	-	500	-	-	-	-	-	500	-
Second: Non-Executive Directors:											
Third: Executive Directors:											
1- Dr. Abdulaziz Al Dakheel	-	3,950	-	3,950	-	-	-	-	-	3,950	-
2- Hazem Abdulla Elbakry	-	5,800	-	5,800	-	-	-	-	-	5,800	-
3- Dr. Yousif Abdulla Al Mulla (1)	-	1,500	-	1,500	-	-	-	-	-	1,500	-
Total	-	33,136	-	33,136	-	-	-	-	-	33,136	-

Note: All amounts must be stated in Bahraini Dinars.
(1) Resigned on 30th June 2025
Other remunerations:
*** It includes in-kind benefits – specific amount - remuneration for technical, administrative and advisory works (if any).**
**** It includes the board member's share of the profits - Granted shares (insert the value) (if any).**
***** Subject to the approval of the AGM and regulatory authorities.**

Second: Executive management remuneration details:

Executive management	Total paid salaries and allowances	Total paid remuneration (Bonus)	Any other cash/ in kind remuneration for 2025	Aggregate Amount
Top 6 remunerations for executives, including CEO* and Senior Financial Officer**	269,080	0	0	269,080

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)**

Yaqoub Yousef Ali Bandar
Chairman