

INOVEST B.S.C.

**SHARI'A SUPERVISORY BOARD REPORT,
REPORT OF THE BOARD OF DIRECTORS,
INDEPENDENT AUDITOR'S REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS**

31 DECEMBER 2025

Commercial registration number

48848 obtained on 18 June 2002

Board of Directors

Yaqoub Yousef Bander
Hazem Abdulla El Bakry
Husain Abdulhameed Alshehab
Ahmed Mohammed Al Bassam
Mohammed Abdulwahab Al Matook
Dr. Abdulaziz Fahad Al Dakheel
Abdulla Mohammed Al Abduljader

- Chairman
- Vice-Chairman
- Director
- Director
- Director
- Director
- Director

Board Secretary

Riyadh Mahmood Mulla Ahmed

Sharia'a Supervisory Board

Sheikh Dr. Hamad Yousef Al Mazrouei
Sheikh Dr. Abdulrahman Mohammad Al Baloul
Dr. Mohammad Abdulrahman Al Shurafa

- Chairman
- Vice Chairman
- Member

Nomination and Remuneration Committee members

Mohammed Abdulwahab Al Matook
Ahmad Mohammed Al Bassam
Husain Abdulhameed Alshehab

- Chairman
- Vice-Chairman
- Member

Corporate Governance, Audit and Risk Committee members

Yaqoub Yousef Bander
Abdulla Mohammed Al Abduljader
Ahmed Mohammed Al Bassam

- Chairman
- Vice-Chairman
- Member

Executive Committee members

Dr. Abdulaziz Fahad Al Dakheel
Hazem Abdulla El Bakry
Mohammed Abdulwahab Al Matook
Talal A. Aziz Al Mulla

- Chairman
- Vice-Chairman
- Member
- Member

Registered head office

35th floor, East Tower
Bahrain Financial Harbour
P.O. Box 18334
Manama
Kingdom of Bahrain
Telephone no. +973 1715 5777

Bankers

Bahrain Islamic Bank B.S.C.
Ithmaar Bank B.S.C.
Kuwait Finance House (Kuwait) K.S.C.P.
Khaleeji Bank B.S.C.
Al Baraka Islamic Bank B.S.C. (c)
Al Salam Bank, Bahrain B.S.C.

Auditor

Ernst & Young - Middle East
P.O. Box 140
10th Floor, East Tower
Bahrain World Trade Center
Manama, Kingdom of Bahrain

Share registrars

Bahrain Clear
Bahrain Financial Harbour, Harbour Gate,
Level 4, P.O.Box 3203
Manama
Kingdom of Bahrain

Kuwait Clearing Company S.A.K.
P.O. Box 22077
Safat 13081
State of Kuwait

In the name of Allah, The Beneficent, The Merciful

Sharia Supervisory Board Report on the activities of INOVEST Company B.S.C

For the Twelve Months Period Ended 31 December 2025.

All praise is due to Allah , Lord of the worlds, Prayers and Peace are upon the last messenger, our prophet Mohammed, his family and companions.

To the Shareholders of INOVEST B.S.C **"the Company"**,

Acting as Sharia Supervisory Board **"SSB"** pursuant to the appointment resolution passed by the General Assembly of the Company and SSB meeting on Thursday 26th Feb. 2026 in State of Kuwait, we are required to provide the following report:

The SSB has reviewed the Company's principles, contracts related transactions, and applications submitted by the Company's management for the twelve months period ended 31 December 2025, and based on the Sharia auditor presentation of the Company's activities for the abovementioned period, and comparing it with the fatwa and rulings issued.

The Company's management is responsible for ensuring that the Company conducts its business in accordance with the Islamic Shari'a Rules and principles. It is our responsibility to form an independent opinion, based on our review of the Company's operations and to report to you.

We planned and performed our review so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Company has not violated Islamic Shari rules and principles.

In our opinion:

The contracts and transactions concluded by the Company during the Twelve Months Period Ended 31 December 2025 that we have reviewed are in compliance with the Islamic Shari'a Rules and Principles.

Also, the SSB has approved the financial statements and concluded that it's prepared in an acceptable form from Islamic Sharia view. The respective report has been prepared based on the information provided by the Company.

Prayers and Peace are upon the last messenger, our prophet Mohammed, his family and companions.

Dr. Hamad Yusuf AlMazrouie

Chairman



Dr. Abdulrahman Mohamad Al-Baloul

Vice Chairman



Dr. Mohamad Abdulrahman AlShurafa

Member



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



First: Board of directors' remuneration details:

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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF INOVEST B.S.C.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Inovert B.S.C. (the "Company") and its subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the related consolidated statements of income and other comprehensive income, changes in owners' equity, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated results of operations, cash flows, and changes in owners' equity for the year then ended in accordance with Financial Accounting Standards ("FAS") issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ["AAOIFI"].

Basis for opinion

We conducted our audit in accordance with Auditing Standards for Islamic Financial Institutions (ASIFI) issued by AAOIFI. Our responsibilities under those standards are further described in the 'Auditors' responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the AAOIFI's Code of Ethics for Islamic Finance Professionals ("Code"), together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Kingdom of public interest entities in the Kingdom of Bahrain, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 December 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material judgment of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF INOVEST B.S.C. (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Key audit matters (continued)

1. Valuation and impairment of investments	
Refer to notes 3, 4, 7, 8 & 9	
Key audit matter / risk	How the key audit matter was addressed in the audit
The Group holds financial investments, investments in joint ventures and associates and investments in real estate which together represent 86% of the Group's total assets as of 31 December 2025. The valuation of these investments involve complex accounting requirements, reliance on management judgement, external valuations and, in some cases, unobservable inputs thereby increasing the subjectivity in determining the fair value as of the reporting date.	Our audit procedures included, among others, the following: <i>Financial investments</i> - Understanding the process of valuations of financial investments for the purpose of assessing changes in fair value of investments or impairment assessment; - Assessing the valuation methodologies applied for their appropriateness and testing the underlying data supporting such valuations; <i>Investments in joint ventures and associates</i> - Reviewing investees' financial information to validate performance trends and the share of results recognised; - Reviewing management's assessment of indicators of impairment, evaluating the process used to determine recoverable amounts and where necessary engaging internal valuation experts to review impairment calculations; - Checking the accuracy of equity method calculations and adjustments. <i>Investments in real estate</i> - Obtaining independent external valuation reports and evaluating the qualifications, independence, and methodologies adopted by external real estate valuers. - Engaging internal valuation experts to assess key valuation assumptions by benchmarking them to market observable data; We also assessed the adequacy of the Group's disclosures in relation to all types of investments by reference to the requirements of the relevant accounting standards.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF INOVEST B.S.C.
(continued)**

Report on the Audit of the Consolidated Financial Statements (continued)

Key audit matters (continued)

2. Allowance for expected credit losses	
Refer to notes 3, 4 & 6	
Key audit matter / risk	How the key audit matter was addressed in the audit
The Group's gross receivables as of 31 December 2025 was US\$ 35.31 million and the related allowance for expected credit losses amounted to US\$ 23.7 million. The Group applied the simplified approach to measuring Expected Credit Losses (ECL) on receivables as allowed by FAS 30. The determination of the ECL allowance for receivables involves estimates and assumptions in relation to loss rates based on past history of defaults, existing market conditions, segmentation of customers based on credit characteristics as well as forward looking estimates. Due to the significance of receivables and subjectivity involved in the determination of ECL, this is considered as a key audit matter.	Our audit procedures included, among others: • Testing the accuracy of ageing of receivables. • Assessing the appropriateness of segmentation of receivables of customers based on credit characteristics. • Assessing the Group's ECL allowance process including reasonableness of the inputs used. • Assessing the adequacy of the disclosures in relation to receivables and allowance for ECL.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF INOVEST B.S.C.
(continued)**

Report on the Audit of the Consolidated Financial Statements (continued)

Key audit matters (continued)

3. Provision for litigation	
Refer to note 3, 4 & 13	
Key audit matter / risk	How the key audit matter was addressed in the audit
As disclosed in Note 13, a subsidiary of the Group is involved in an ongoing legal dispute relating to a land lease arrangement. Multiple adverse rulings were issued against the subsidiary, and the matter remains under appeal as at the reporting date. The Group has recognised a provision of US\$ 13,179 thousand representing management's best estimate of the potential net impact arising from this case. The determination of this provision involves significant judgement due to the inherent uncertainties associated with ongoing litigation and the potential range of outcomes. Given the financial magnitude of the matter and the level of judgement applied, this issue was identified as a key audit matter.	Our audit procedures included, among others: • Understanding the arbitral ruling and subsequent court decisions and evaluating their implications for recognition and measurement under applicable accounting standards; • Assessing legal opinions obtained by management as well those received directly by us from the Group's external legal counsel regarding the case including its status as of the reporting date and considering developments up to the date of our auditor's report; • Engaging internal experts to evaluate management's calculation of the provision, including the methodology, key assumptions, and other relevant supporting information; • Reviewing management's going-concern assessment for the subsidiary and any potential impact to the Group including assessing the cash-flow forecasts prepared by management and evaluating the assumptions supporting those forecasts; • Evaluating the adequacy of the disclosure, including the application of exemption to limit sensitive information where fuller disclosure could prejudice the Group's legal position.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF INOVEST B.S.C. (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Other information included in the Board of Directors' Report and Shari'a Supervisory Board Report

Other information consists of the information included in the Board of Directors' statement and the Shari'a Supervisory Board report, other than the consolidated financial statements and our auditor's report thereon. The Board of Directors is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement, of this other information, we are required to report the fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the consolidated financial statements

These consolidated financial statements and the Group's undertaking to operate in accordance with Islamic Shari'ah Rules and Principles are the responsibility of the Company's Board of Directors.

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with FAS issued by AAOIFI and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ASIFI issued by AAOIFI will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF INOVEST B.S.C. (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

As part of an audit in accordance with AAOIFI, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the corporate governance, audit and risk committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the corporate governance, audit and risk committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF INOVEST B.S.C. (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

From the matters communicated with the corporate governance, audit and risk committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Bahrain Commercial Companies Law and the Central Bank of Bahrain (CBB) Rule Book (Volume 4), we report that:

- a) the Company has maintained proper accounting records and the consolidated financial statements are in agreement therewith;
- b) the financial information contained in the Report of the Board of Directors is consistent with the consolidated financial statements;
- c) except for what has been reported in note 1 to the consolidated financial statements, we are not aware of any violations of the Bahrain Commercial Companies Law, the Central Bank of Bahrain and Financial Institutions Law, the CBB Rule Book (Volume 4 and applicable provisions of Volume 6) and CBB directives, or the terms of the Company's memorandum and articles of association having occurred during the year ended 31 December 2025 that might have had a material adverse effect on the business of the Company or on its financial position; and
- d) satisfactory explanations and information have been provided to us by management in response to all our requests.

In our opinion, the Group has also complied with the Islamic Shari'a Principles and Rules as determined by the Shari'a Supervisory Board of the Group during the period under audit.

The Partner in charge of the audit resulting in this independent auditor's report is Prasanth Govindapuram.



Auditor's Registration No: 212
28 February 2026
Manama, Kingdom of Bahrain

INOVEST B.S.C.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Note	2025 US\$ '000	2024 US\$ '000
ASSETS			
Cash and bank balances	5	10,468	10,658
Accounts receivable	6	11,531	14,933
Investments	7	10,353	10,596
Investments in joint ventures and associates	8	91,407	95,928
Investments in real estate	9	83,937	85,510
Property, plant and equipment	10	6,930	7,102
Other assets	11	227	2,447
Right of use asset	12	149	253
TOTAL ASSETS		215,002	227,427
LIABILITIES AND OWNERS' EQUITY			
Liabilities			
Accounts payable, provisions and other liabilities	13	71,654	65,394
Ijarah liability		120	242
Total liabilities		71,774	65,636
Owners' equity			
Share capital	14	122,741	122,741
Less: Treasury shares	14 & 16	(1,338)	(1,338)
		121,403	121,403
Reserves	15	6,999	6,964
(Accumulated losses) / retained earnings		(10,902)	7,732
Equity attributable to Parent's equity shareholders		117,500	136,099
Non-controlling interests		25,728	25,692
Total owners' equity		143,228	161,791
TOTAL LIABILITIES AND OWNERS' EQUITY		215,002	227,427



Yaqoub Yousef Bandar
Chairman



Hazem Abdulla Al Bakry
Vice Chairman



Talal A. Aziz Al Mulla
CEO

The attached notes 1 to 32 form part of these consolidated financial statements.

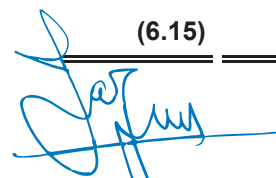
INOVEST B.S.C.
**CONSOLIDATED STATEMENT OF INCOME AND OTHER
COMPREHENSIVE INCOME**

For the year ended 31 December 2025

	Note	2025 US\$ '000	2024 US\$ '000
OPERATING INCOME			
Net income / (loss) from construction contracts	18	155	(7,312)
Income from investments in real estate	19	3,815	3,392
Dividend income		197	159
Fee from management and other services	20	1,689	1,724
Share of net loss from investments in joint ventures and associates	8	(3,045)	(370)
Other income	21	1,488	2,273
TOTAL OPERATING INCOME / (LOSS)		4,299	(134)
OPERATING EXPENSES			
Staff costs	22	2,452	3,490
General and administrative expenses	23	2,958	2,245
Property related expenses		2,145	1,811
Depreciation	10	474	364
Net Ijarah cost	24	125	123
TOTAL OPERATING EXPENSES		8,154	8,033
NET OPERATING LOSS		(3,855)	(8,167)
Net charge of provision for expected credit loss	5, 6 & 11	(1,564)	(299)
Other provision	13	(13,179)	-
LOSS FOR THE YEAR		(18,598)	(8,466)
OTHER COMPREHENSIVE GAIN / (LOSS)			
Items that may subsequently be classified to the statement of income		35	(358)
Total other comprehensive income for the period		35	(358)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(18,563)	(8,824)
Loss for the year attributable to :			
Equity shareholders of the Parent		(18,634)	(8,524)
Non-controlling interests		36	58
		(18,598)	(8,466)
BASIC AND DILUTED LOSS			
PER SHARE (US\$ cents)	25	(6.15)	(2.81)



Yaqoub Yousef Ban
Chairman



Hazem Abdulla Al Bakry
Vice Chairman



Talal A. Aziz Al Mulla
CEO

The attached notes 1 to 32 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the year ended 31 December 2025

	Equity attributable to Parent's shareholders							
	Reserves							
	Share capital	Treasury shares	Statutory reserve	Fair value through equity reserve	Retained earnings / (accumulated losses)	Total equity	Non-controlling interests	Total owners' equity
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
At 1 January 2025	122,741	(1,338)	5,206	1,758	7,732	136,099	25,692	161,791
Loss for the year	-	-	-	-	(18,634)	(18,634)	36	(18,598)
Unrealised fair value gain on investments [note15 (b)]	-	-	-	35	-	35	-	35
As at 31 December 2025	122,741	(1,338)	5,206	1,793	(10,902)	117,500	25,728	143,228

	Equity attributable to Parent's shareholders							
	Reserves							
	Share capital	Treasury shares	Statutory reserve	Fair value through equity reserve	Retained earnings	Total equity	Non-controlling interests	Total owners' equity
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
At 1 January 2024	120,334	(1,309)	5,206	2,116	22,200	148,547	25,634	174,181
Dividend paid (note 17)	-	-	-	-	(3,566)	(3,566)	-	(3,566)
Bonus shares issued as dividend (note 17)	2,407	(29)	-	-	(2,378)	-	-	-
Loss for the year	-	-	-	-	(8,524)	(8,524)	58	(8,466)
Unrealised fair value loss on investments [note15 (b)]	-	-	-	(358)	-	(358)	-	(358)
As at 31 December 2024	122,741	(1,338)	5,206	1,758	7,732	136,099	25,692	161,791

The attached notes 1 to 32 form part of these consolidated financial statements.

INOVEST B.S.C.
CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

		2025	2024
	<i>Note</i>	US\$ '000	US\$ '000
OPERATING ACTIVITIES			
Net loss for the year		(18,563)	(8,466)
Adjustments for:			
Depreciation	10	474	779
Net charge of provision for expected credit loss	5, 6 & 11	1,564	299
Other provision	13	13,179	-
Realised gain on sale of property, plant and equipment	21	(743)	-
Share of net loss from investments in joint ventures and associates	8	3,045	370
Net ijarah cost	24	125	123
Sale of investment in joint venture and associates	8	1,007	-
Loss on sale of investments in real estate	19	355	109
Operating profit / (loss) before changes in operating assets and liabilities		443	(6,786)
Net changes in operating assets and liabilities:			
Short-term deposits (with an original maturity of more than 90 days)		4,257	2,738
Accounts receivable		3,577	9,675
Other assets		465	(946)
Other liabilities and accounts payable		(6,919)	(5,944)
Ijarah payments		(142)	(131)
Net cash from / (used in) operating activities		1,681	(1,394)
INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		1,905	-
Proceeds from sale of investment in real estate - net		1,329	1,140
Distributions received from a joint ventures and associates	8	469	652
Additional capitalisation of investments in real estate	9	(111)	-
Purchase of property, plant and equipment	10	(1,464)	(70)
Proceeds from return of investments		243	-
Purchase of investments		-	(1,304)
Cash from investing activities		2,371	418
FINANCING ACTIVITY			
Dividend paid	17	-	(3,566)
Net cash used in financing activity		-	(3,566)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS		4,052	(4,542)
Cash and cash equivalents at the beginning of the year		5,720	10,262
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	5	9,772	5,720
Non cash transactions comprise:			
Changes in unrealised (loss) / gain in investment fair value reserve	15	35	(358)
Transfer from property, plant and equipments to investment in real estate	9 & 10	-	(3,308)

The attached notes 1 to 32 form part of these consolidated financial statements.

As at 31 December 2025

1 CORPORATE INFORMATION AND ACTIVITIES

a) Incorporation

Inovest B.S.C. (the "Company") is a public shareholding company incorporated in the Kingdom of Bahrain (Bahrain) on 18 June 2002 and operates under Commercial Registration (CR) number 48848. The Company commenced operations on 1 October 2002. Under the terms of its Memorandum and Articles of Association, the duration of the Company is 50 years, renewable for further similar periods unless terminated earlier by law or as stated in the Memorandum and Articles of Association. The address of the Company's registered office is 35th floor, East Tower, Bahrain Financial Harbour, Manama, Kingdom of Bahrain.

The Company is listed on the Bahrain Bourse and cross-listed on the Kuwait Stock Exchange.

The Company operates under an Investment Business Firm License – Category 1 (Islamic Principles) issued by the Central Bank of Bahrain ("CBB"), to operate under the Islamic Shari'a principles, and is supervised and regulated by the CBB.

b) Activities

The principal activities of the Company together with its subsidiaries (the "Group") include:

- Engaging directly in all types of investments, including direct investment and securities, and various types of investment funds;
- Establishing and managing various investment funds;
- Dealing in financial instruments in the local, regional and international markets;
- Providing information and studies related to different types of investments for others;
- Providing financial services and investment consultations to others;
- Establishing joint ventures with real estate, industrial and services companies inside or outside the Kingdom of Bahrain;
- Engaging in contracting activities;
- Engaging in the management of commercial and industrial centers and residential buildings, property leasing, development and their maintenance; and
- Having interest in or participating in any way with companies and other entities engaged in similar activities that may work and co-operate to achieve the Group's objectives inside and outside the Kingdom of Bahrain, and also merge its activities with the above mentioned entities and/or buy or join with them.

Although the Company has an Investment Business Firm License – Category 1 (Islamic Principles) issued by the CBB in September 2008, it continues to hold real estate assets and related revenues and costs in its consolidated financial statements. These assets existed prior to obtaining the license from the CBB. The Company has transferred its entire real estate assets and the related revenues and costs to its fully owned subsidiary, Al Khaleej Development Co. W.L.L.(Tameer), which primarily carries out real estate and construction related activities. Since Al Khaleej Development Co. W.L.L.(Tameer) is fully owned by the Company, the real estate assets and revenues and costs continue to appear in the consolidated financial statements of the Group for the year ended 31 December 2024. The respective notes in these consolidated financial statements reflect the Group's transactions arising from holding of real estate assets and their corresponding liabilities and revenues and costs arising therefrom.

The number of staff employed by the Group as at 31 December 2025 was 56 employees (31 December 2024: 216 employees).

The consolidated financial statements of the Group were authorised for issue in accordance with a resolution of the Board of Directors dated 28 February 2026.

As at 31 December 2025

2 BASIS OF PREPARATION**2.1 Statement of compliance**

The consolidated financial statements are prepared in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI"), the Shari'a Rules and Principles as determined by the Shari'a Supervisory Board of the Group, the Bahrain Commercial Companies Law, the CBB, Financial Institutions Law, the CBB Rule Book (Volume 4 and applicable provisions of Volume 6), CBB directives, regulations and associated resolutions, rules and procedures of the Bahrain Bourse and the terms of the Company's memorandum and articles of association. In accordance with the requirements of AAOIFI, for matters for which no AAOIFI standard exists, the Group uses the relevant International Financial Reporting Standards ("IFRS") issued by International Accounting Standards Board ("IASB").

2.2 Accounting convention

The consolidated financial statements have been prepared on a historical cost basis, except for investment in joint ventures and associates which are equity accounted, equity-type instruments at fair value through other comprehensive income ("FVTOCI") and investment in real estate that have been measured at fair value. The consolidated financial statements are presented in United States Dollars ("US Dollars") being the reporting currency of the Group. All values are rounded to the nearest US Dollar thousands unless otherwise indicated. However, the functional currency of the Company is Bahraini Dinars ("BD").

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at and for the year ended 31 December each year. The financial statements of the subsidiaries are prepared for the same reporting year as the Company, using consistent accounting policies.

All intra-group balances, transactions, income and expenses and profits and losses are eliminated in full on consolidation.

Subsidiary is fully consolidated from the date control is transferred to the Company and continues to be consolidated until the date that control ceases. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Non-controlling interest in a subsidiary's net assets is reported as a separate item in the Group's owners' equity. In the consolidated statement of income, non-controlling interest is included in net profit, and shown separately from that of the shareholders.

Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interests' share of changes in owners' equity since the date of combination. Losses applicable to the non-controlling interest in excess of the non-controlling interest in a subsidiary's equity are allocated against the interests of the Group except to the extent that the non-controlling interest has a binding obligation and is able to make an additional investment to cover the losses.

Transactions with non-controlling interests are handled in the same way as transactions with external parties. Sale of participations to non-controlling interests result in a gain or loss that is recognised in the consolidated statement of income. Changes in the ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transaction.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2025

2 BASIS OF PREPARATION (continued)**2.3 Basis of consolidation (continued)**

The following are the principal subsidiaries of the Company, which are consolidated in these consolidated financial statements:

<i>Name of the subsidiary</i>	Ownership 2025	<i>Ownership 2024</i>	<i>Country of incorporation</i>	<i>Year of incorporation</i>	<i>Activity</i>
Held directly by the Company					
Al Khaleej Development Co. W.L.L.(Tameer)	100.00%	100.00%	Kingdom of Bahrain	2009	Purchase, sale, management and development of properties
Inoventures Company W.L.L.	100.00%	100.00%	Kingdom of Bahrain	2023	Selling and buying shares and securities for company's account only.

The following are the subsidiaries held indirectly through Al Khaleej Development Co. W.L.L.(Tameer):

<i>Name of the subsidiary</i>	Ownership 2024	<i>Ownership 2023</i>	<i>Country of incorporation</i>	<i>Year of incorporation</i>	<i>Activity</i>
Held indirectly by the Company					
Bahrain Investment Wharf W.L.L	100.00%	100.00%	Kingdom of Bahrain	2006	Development, maintenance, leasing and management of commercial and industrial centers, residential buildings and property.
Tamcon Contracting Co. W.L.L.	100.00%	100.00%	Kingdom of Bahrain	2007	Contracting activities and real estate activities with own or leased property
Dannat Resort Development Company Limited	67.57%	67.57%	Cayman Islands	2008	Managing and Development of Real Estate Projects.
Tamcon Trading W.L.L.	100.00%	100.00%	Kingdom of Bahrain	2009	Import, export, sale of electronic & electrical equipment, appliances, its spare parts and sale of building materials.
Panora Interiors W.L.L.	100.00%	100.00%	Kingdom of Bahrain	2015	Carpentry and joinery works.
BIW Labour Accommodation Co W.L.L.	60.21%	60.21%	Kingdom of Bahrain	2007	Buying, selling and management of properties.

2.4 New standards, amendments and interpretations issued but not yet effective

The standards and interpretations that are issued but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group will adopt these standards from the effective date.

FAS 45 Quasi - Equity (Including Investment Accounts)

AAOIFI issued FAS 45 "Quasi - Equity (Including Investment Accounts)" in 2023. The objective of this standard is to establish the principles of financial reporting related to instruments classified as Quasi - Equity, such as investment accounts and similar instruments invested with Islamic financial institutions. Quasi - Equity is an element of financial statements of an institution in line with the "AAOIFI Conceptual Framework for Financial Reporting". This standard shall be effective for the financial periods beginning on or after 1 January 2026 with early adoption permitted.

As at 31 December 2025

2 BASIS OF PREPARATION (continued)

2.4 New standards, amendments and interpretations issued but not yet effective (continued)

FAS 45 Quasi - Equity (Including Investment Accounts) (continued)

The Group's management is currently assessing the impact of the above standard on the consolidated financial statements of the Group.

FAS 46 Off - Balance - Sheet Assets Under Management

AAOIFI issued FAS 46 "Off - Balance - Sheet Assets Under Management" in 2023. The objective of this standard is to establish the principles of financial reporting related off - balance - sheet assets under management in line with the "AAOIFI Conceptual Framework for Financial Reporting". This standard shall be effective for the financial periods beginning on or after 1 January 2026 with early adoption permitted.

The Group's management is currently assessing the impact of the above standard on the consolidated financial statements of the Group.

FAS 47 Transfer of Assets between Investment Pools

AAOIFI issued FAS 47 "Transfer of Assets between Investment Pools" in 2023. The objective of this standard is to establish the principles that apply in respect of transfer of assets between various investment pools of an Islamic financial institution. This standard shall be effective for the financial periods beginning on or after 1 January 2026 with early adoption permitted.

The Group's management is currently assessing the impact of the above standard on the consolidated financial statements of the Group.

FAS 48 Promotional Gifts and Prizes

AAOIFI issued FAS 48 "Promotional Gifts and Prizes" in 2024. The objective of this standard is to prescribe the accounting and financial reporting requirements applicable to promotional gifts and prizes awarded by the Islamic Financial Institution to their customers, including quasi-equity and other investment accountholders. This standard shall be effective for the financial periods beginning on or after 1 January 2026 with early adoption permitted.

The Group's management is currently assessing the impact of the above standard on the consolidated financial statements of the Group.

FAS 49 Financial Reporting for Institutions Operating in Hyperinflationary Economies

The standard is to establish the principles of financial reporting for the institutions applying AAOIFI Financial Accounting Standards (FASs) operating in hyperinflationary economies, duly considering the relevant Shari'ah principles and rules and their unique business models. This standard shall be effective for the financial periods beginning on or after 1 January 2026.

The Group's management is currently assessing the impact of the above standard on the consolidated financial statements of the Group.

FAS 50 Financial Reporting for Islamic Investment Institutions

The standard is to establish the principles of financial reporting for Islamic investment institutions (IIs) particularly prescribing overall requirements for the presentation, minimum contents and recommended structure of their financial statements in a manner that facilitates truthful and fair presentation in line with Shari'ah principles and rules. This standard shall be effective for the financial periods beginning on or after 1 January 2026.

The Group's management is currently assessing the impact of the above standard on the consolidated financial statements of the Group.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared using accounting policies, which are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following FASs as explained below.

3.1 New standards, interpretations and amendments

The Group has adopted the following FASs which are effective as of 1 January 2025 :

FAS 42 Presentation and Disclosures in the Financial Statements of Takaful Institutions

This standard sets out the principles for the presentation and disclosure for the financial statements of Takaful institutions. It aims to ensure that the Takaful institutions faithfully present the information related to these arrangements to the relevant stakeholder as per the contractual relationship between the parties and the business model of the Takaful business in line with the Shari'ah principles and rules. This standard shall be effective for the financial periods beginning on or after 1 January 2025 with early adoption permitted.

The above accounting standard has no impact on the consolidated financial statements of the Group as the standard relates specifically to Takaful institutions.

FAS 43 Accounting for Takaful: Recognition and Measurement (effective 1 January 2025)

This standard sets out the principles for the recognition, measurement and reporting of Takaful arrangements and ancillary transactions for the Takaful institutions. It aims to ensure that the Takaful institutions faithfully present the information related to these arrangements to the relevant stakeholders as per the contractual relationship between the parties and the business model of the Takaful business in line with the Shari'ah principles and rules.

The above accounting standard has no impact on the consolidated financial statements of the Group as the standard relates specifically to Takaful institutions.

The significant accounting policies adopted in the preparation of the consolidated financial statements are set out below:

a. Cash and cash equivalents

Cash and cash equivalents as referred to in the consolidated statement of cash flows comprise cash in hand, bank balances and short term deposits with an original maturity of three months or less.

b. Accounts receivable

Accounts receivables are financial assets with fixed or determinable payment that are not quoted in active market. After initial measurement, such financial assets are subsequently measured at amortised cost, less impairment. The losses arising from impairment are recognised in the consolidated statement of income as provision for expected credit losses.

c. Investments

Investments comprise equity-type instruments at fair value through equity, investments in real estate and investments in a joint ventures and associates.

Equity-type instrument at fair value through other comprehensive income

This includes all equity-type instruments that are not fair valued through consolidated statement of income. Subsequent to acquisition, investments designated at fair value through equity are re-measured at fair value with unrealised gains or losses recognised in other comprehensive income until the investment is derecognised or determined to be impaired at which time the cumulative gain or loss previously recorded in owners' equity is recognised in consolidated statement of income.

As at 31 December 2025

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**c. Investments (continued)***Non-monetary debt type instrument at fair value through other comprehensive income*

This includes all non-monetary debt type instruments that are not fair valued through consolidated statement of income. Subsequent to acquisition, investments designated at fair value through equity are re-measured at fair value with unrealised gains or losses recognised in comprehensive income until the investment is derecognised or determined to be impaired at which time the cumulative gain or loss previously recorded in owners' equity is recognised in consolidated statement of income.

Investment in real estate

Properties held for rental, or for capital appreciation purposes, or both, are classified as investment in real estate. Investments in real estate are initially recorded at cost, being the fair value of the consideration given and acquisition charges associated with the property. Subsequent to initial recognition, investment in real estate are re-measured at fair value and changes in fair value (only gains) are recognised through the consolidated statement of other comprehensive income.

Losses arising from changes in the fair values of investment in real estate are recognised in the consolidated statement of income. When the property is disposed of, the gains or losses arising on disposal is taken to the consolidated statement of income.

Investment in joint ventures and associates

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint ventures. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint ventures.

Under the equity method, investment in a joint ventures and associates are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of the net assets of the joint ventures and associates. The consolidated statement of income reflects the Group's share of the results of operations of the joint ventures and associates. Where there has been a change recognised directly in the equity of the joint ventures and associates, the Group recognises its share of any changes and discloses this, when applicable, in the consolidated statement of changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the joint ventures and associates are eliminated to the extent of the interest in the joint ventures and associates.

The reporting dates of the joint ventures and associates and the Group are identical and the joint ventures and associates' accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on the Group's investment in joint ventures and associates. The Group determines at each reporting date whether there is any objective evidence that investment in a joint venture or associates is impaired. If this is the case, the Group calculates the amount of impairment as being the difference between the recoverable amount of the joint venture and associates and its carrying value and recognises the impairment in the consolidated statement of income.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**d. Fair values**

Fair value is the value representing the estimate of the amount of cash or cash equivalent that would be received for an asset sold or the amount of cash or cash equivalent paid for a liability extinguished or transferred in an orderly transaction between a willing buyer and a willing seller at the measurement date.

Fair value is determined for each financial asset individually in accordance with the valuation policies set out below:

- (i) For investments that are traded in organised financial markets, fair value is determined by reference to the quoted market bid prices prevailing on the consolidated statement of financial position date.
- (ii) For unquoted investments, fair value is determined by reference to recent significant buy or sell transactions with third parties that are either completed or are in progress. Where no recent significant transactions have been completed or are in progress, fair value is determined by reference to the current market value of similar investments. For others, the fair value is based on the net present value of estimated future cash flows, or other relevant valuation methods.
- (iii) For investments that have fixed or determinable cash flows, fair value is based on the net present value of estimated future cash flows determined by the Group using current profit rates for investments with similar terms and risk characteristics.
- (iv) Investments which cannot be remeasured to fair value using any of the above techniques are carried at cost, less provision for impairment.

e. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Depreciation on premises and equipment is provided on a straight-line basis over the following estimated useful lives:

Building on leasehold land	25 years
Machinery, equipment, furniture and fixtures	3-5 years
Computer hardware and software	3 years
Motor vehicles	3 years

f. Accounts payable and other liabilities

Trade and other payables are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

g. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and the costs to settle the obligation are both probable and reliably measurable. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability.

h. Treasury shares

Own equity instruments which are reacquired (treasury shares) are deducted from the equity of the parent and accounted for at weighted average cost. Consideration paid or received on the purchase, sale, issue or cancellation of the Group's own equity instruments is recognised directly in the equity of the parent. No gain or loss is recognised in consolidated statement of income on the purchase, sale, issue or cancellation of own equity instruments.

As at 31 December 2025

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**i. Derecognition of financial assets and financial liabilities***(i) Financial assets*

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; and
- either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

j. Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective profit rate method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment for financial assets.

k. Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a legally enforceable right to set off the recognised amounts and the Group intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

l. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Income from investments in real estate

Rental income arising from operating leases on investment in real estate is accounted for on a straight-line basis over the lease terms and is included under revenue in the consolidated statement of income due to its operating nature.

(ii) Fee from management and other services

Fee from management and other services and project management fees are recognised based on the stage of completion of the service at the consolidated statement of financial position date by reference to the contractual terms agreed between the parties.

(iii) Income from investments

Income from investments is recognised when earned.

(iv) Income from construction contracts

Contract income is recognised under the percentage of completion method.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**I. Revenue recognition (continued)***(iv) Income from construction contracts (continued)*

When the outcome of a construction contract can be estimated reliably, contract revenue is recognised by reference to the stage of physical completion of the contract. Contract income and costs are recognised as income and expenses in the consolidated statement of income in the accounting year in which the work is performed. The contract income is matched with the contract costs incurred in reaching the stage of completion, resulting in the reporting of income, expenses and profit which can be attributed to the proportion of work completed. Profits expected to be realised on construction contracts are based on estimates of total income and cost at completion.

When the outcome of a construction contract cannot be estimated reliably, the contract income is recognised to the extent of contract costs incurred up to the year end where it is probable those costs will be recoverable. Contract costs are recognised when incurred. The excess of progress billings over contract costs is classified under trade and other payables as due to customers for construction contracts.

Losses on contracts are assessed on an individual contract basis and if estimates of costs to complete the construction contracts indicate losses, provision is made for the full losses anticipated in the period in which they are first identified.

The aggregate of the costs incurred and the profit or loss recognised on each contract is compared against the progress billings up to the year end. Where the sum of the costs incurred and recognised profit or loss exceeds the progress billings, the balance is shown under trade and other receivables as due from customers for construction contracts.

m. Shari'a Supervisory Board

The Group's business activities are subject to the supervision of a Shari'a Supervisory Board who are appointed by the general assembly.

n. Earnings prohibited by Shari'a

The Group is committed to avoid recognising any income generated from non-Islamic sources. Accordingly, all non-Islamic income is credited to a charity account where the Group uses these funds for various social welfare activities.

o. Foreign currencies

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing on the date of the transaction.

Monetary assets and liabilities in foreign currencies are translated into United States Dollars at functional currency rates of exchange prevailing at the consolidated statement of financial position date. Any gains or losses are recognised in the consolidated statement of income.

p. Employees' end of service benefits

Bahraini employees are covered by the Social Insurance Organisation scheme which comprises a defined contribution scheme to which the Group contributes a monthly sum based on a fixed percentage of the salary. The contribution is recognised as an expense in the consolidated statement of income.

The Group provides end of service benefits to its non-Bahraini employees. Entitlement to these benefits is usually based upon the employees' length of service and the completion of a minimum service period. The expected costs of these benefits which comprise a defined benefit scheme are accrued over the period of employment based on the notional amount payable if all employees had left at the statement of financial position date.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**q. Impairment of financial assets**

Impairment allowances for expected credit losses (ECL) are recognised for financial instruments that are measured at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade and other receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors.

In the case of equity-type instruments at FVTE, impairment is reflected directly as write down of the financial asset. Impairment losses on equity-type instruments at fair value through equity are not reversed through the consolidated statement of income, while any subsequent increase in their fair value are recognised directly in owners' equity.

r. Events after the consolidated statement of financial position date

The consolidated financial statements are adjusted to reflect events that occurred between the consolidated statement of financial position date and the date the consolidated financial statements are authorised for issue, provided they give evidence of conditions that existed as of the statement of financial position date. Events that are indicative of conditions that arose after the statement of financial position date are disclosed, but do not result in an adjustment to the consolidated financial statements.

s. Zakah

Individual shareholders are responsible for payment of Zakah.

t. Lease rent payables

The lease rent payables is carried at the actual cost of the lease payable to the MOIC, in accordance with Shari'a principles.

u. Onerous contracts

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements.

As at 31 December 2025

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)**Judgements (continued)***Going concern*

In view of the loss for the year and the accumulated losses as of the reporting date, the Group's management has assessed the Group's ability to continue as a going concern and is satisfied that it has adequate resources to continue in operational existence for the foreseeable future for a period not less than twelve months from the date of approval of these consolidated financial statements. While the Group recognised a one-off provision arising from a legal matter during the year, management has approved and commenced execution of a business plan focused on income diversification and sustainable performance. The Group's business plan envisages investment in various projects in the housing, logistics and fintech sectors which are expected to generate sufficient income and profitability in the near term. Based on these considerations, the Board of Directors are satisfied with the Group's ability continue as a going concern.

Classification of investments

Management decides on acquisition of an investment, whether it should be classified as amortised cost, fair value through equity, or fair value through income statement.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Provision

The recognition and measurement of the provision in respect of the litigation required the exercise of significant judgement by management. In determining the amount of the provision, management considered the arbitral award and subsequent court judgments, the current status of the legal proceedings, the advice received from external legal counsel, external property experts and the range of possible outcomes, including execution and settlement considerations.

Fair valuation of investments

The determination of fair values of unquoted investments including investments in real estate requires management to make estimates and assumptions that may affect the reported amount of assets at the date of consolidated financial statements.

Nonetheless, the actual amount that is realised in a future transaction may differ from the current estimate of fair value and may still be outside management estimates, given the inherent uncertainty surrounding valuation of unquoted investments.

Impairment of investments at fair value through equity

The Group treats investments carried at fair value through equity as impaired when there is a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is 'significant' or 'prolonged' requires judgment. The Group evaluates factors, such as the historical share price volatility for comparable quoted equities and future cash flows and the discount factors for comparable unquoted equities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2025

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)**Estimates and assumptions (continued)***Special purpose entities*

The Group sponsors the formation of special purpose entities ("SPE") primarily for the purpose of allowing clients to hold investments. The Group provides corporate administration, investment management and advisory services to these SPEs, which involve the Group making decisions on behalf of such entities. The Group administers and manages these entities on behalf of its clients, who are by and large third parties and are the economic beneficiaries of the underlying investments. The Group does not consolidate SPEs that it does not have the power to control. In determining whether the Group has the power to control an SPE, judgments are made about the objectives of the SPE's activities, its exposure to the risks and rewards, as well as about the Group intention and ability to make operational decisions for the SPE and whether the Group derives benefits from such decisions.

Impairment and uncollectibility of financial assets

The Group uses a provision matrix to calculate expected credit losses ("ECL") for its receivables, estimated based on historical credit loss experience based on the past due status of the customer, adjusted as appropriate to reflect current conditions and future economic conditions.

The provision matrix is initially based on the Group's historical observed loss rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if the forecast macro-economic variables are expected to deteriorate over the forecast period, the historical loss rates will be adjusted upwards to reflect the expected economic conditions. At every reporting date, the historical observed loss rates are updated and changes in the forward-looking information are analysed.

The incorporation of forward-looking information increases the level of judgement as to how changes in macro-economic variables will affect the ECL. The Group's historical credit loss experience and forecast economic conditions may also not be representative of customer's actual default in the future.

Liquidity

The Group manages its liquidity through consideration of the maturity profile of its assets and liabilities which is set out in the liquidity risk disclosures in these consolidated financial statements. This requires judgement when determining the maturity of assets and liabilities with no specific maturities.

5 CASH AND BANK BALANCES

	2025 US\$ '000	2024 US\$ '000
Short-term deposits (with an original maturity of 90 days or less)	6,593	2,274
Current account balances with banks	3,173	3,437
Cash in hand	6	9
Total cash and cash equivalents	9,772	5,720
Short-term deposits (with an original maturity of more than 90 days)	753	5,010
Less: Provision for expected credit loss	(57)	(72)
Cash and bank balances	10,468	10,658
Movements in the provision for expected credit loss:		
	2025 US\$ '000	2024 US\$ '000
At 1 January	72	50
(Reversal) / charge during the year	(15)	22
As at 31 December 2025	57	72

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2025

6 ACCOUNTS RECEIVABLE

	2025 US\$ '000	2024 US\$ '000
Amounts due from related parties (note 26)	13,683	13,354
Trade receivables	3,529	5,743
Rent receivable	1,400	1,420
other receivables	16,704	18,377
	35,316	38,894
Less: provision for expected credit losses	(23,785)	(23,961)
	11,531	14,933

Amounts due from related parties are unsecured, bear no profit, have no fixed repayment terms and are authorised by the Group's management.

The movement in the Group's provision for expected credit losses is as follows:

	2025 US\$ '000	2024 US\$ '000
At 1 January	23,961	23,700
Write offs during the year	-	(16)
(Reversals) / charge during the year	(176)	277
As at 31 December 2025	23,785	23,961

7 INVESTMENTS

	2025 US\$ '000	2024 US\$ '000
Investments in equity-type instruments - real estate*	7,059	7,302
Investments in non-monetary debt type instruments	3,294	3,294
	10,353	10,596

*Investment in equity-type instruments - real estate include investments in unlisted companies whose shares are not traded on active markets. The investments are primarily in closely-held companies located in the Gulf Co-operation Council (GCC") countries. The investments are carried at fair value through other comprehensive income as disclosed in note 3c of the consolidated financial statements.

8 INVESTMENT IN JOINT VENTURES AND ASSOCIATES

	2025 US\$ '000	2024 US\$ '000
At 1 January	95,928	96,950
Disposals during the year	(1,007)	-
Share of loss for the year	(3,045)	(370)
Distributions during the year	(469)	(652)
As at 31 December 2025	91,407	95,928

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As at 31 December 2025

8 INVESTMENT IN JOINT VENTURES AND ASSOCIATES (continued)

The Group has an investment in the following joint ventures:

<i>Name</i>	<i>Principal activities</i>	<i>Ownership</i>		<i>Country of incorporation</i>	<i>Carrying value</i>	
		<i>2025</i>	<i>2024</i>		<i>2025</i> <i>US\$ '000</i>	<i>2024</i> <i>US\$ '000</i>
First Gulf Real Estate Company W.L.L. <i>(Investment acquired as a result of consolidation of Dannat Resort Development Company Ltd)</i>	Purchase of land and construct buildings thereon for investments through sale or lease, manage and maintain real estates	55.56%	55.56%	<i>Kingdom of Saudi Arabia</i>	39,888	39,919
Advance Project Group Holding W.L.L.	Manufacturing company for producing wood-plastic composites	45.00%	45.00%	<i>State of Kuwait</i>	3,492	3,613
Alghanim International Bahrain - Tamcon Contracting Co. JV	Construction	0%	49.00%	<i>Kingdom of Bahrain</i>	-	2,759
					43,380	46,291

Summarised financial information of joint ventures

Summarised financial information of the joint ventures based on the management accounts, is presented below:

	<i>2025</i> <i>US\$ '000</i>	<i>2024</i> <i>US\$ '000</i>
Total assets	65,479	78,200
Total liabilities	4,671	16,513
Net (loss) / profit	(3,514)	1,104

The Group assessed its investments in joint ventures for indicators of impairment in light of the losses reported by the joint ventures during the year. Based on management's review of the joint ventures' financial position and expected future performance, no impairment was identified or recognised.

The joint ventures had no contingent liabilities or capital commitments as at 31 December 2025 (31 December 2024: US\$ 7,729 thousand).

The principal associates of the Group are:

<i>Name of associate</i>	<i>Principal activities</i>	<i>Ownership</i>		<i>Country of incorporation</i>	<i>Carrying value</i>	
		<i>2025</i>	<i>2024</i>		<i>2025</i> <i>US\$ '000</i>	<i>2024</i> <i>US\$ '000</i>
Danat Albahrain Real Estate Development Co. W.L.L.	<i>Development and sale of commercial and residential properties</i>	47.70%	47.70%	<i>Cayman Islands</i>	41,952	43,360
Takhzeen Warehousing and Storage Company B.S.C. (c)	<i>Management and maintenance of warehouses</i>	37.24%	37.24%	<i>Kingdom of Bahrain</i>	3,295	3,497
Boyot Al Mohandseen Contracting Company	<i>Development of real estate in Dhahran, Kingdom of Saudi Arabia</i>	23.17%	23.17%	<i>Kingdom of Saudi Arabia</i>	2,780	2,780
					48,027	49,637

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As at 31 December 2025

8 INVESTMENT IN JOINT VENTURES AND ASSOCIATES (continued)

Summarised financial information of associates, are presented below:

	2025 US\$ '000	2024 US\$ '000
Summarised financial information of associates		
Total assets	121,556	122,652
Total liabilities	9,445	9,375
Total net profit	261	174

The associates had no contingent liabilities or capital commitments as at 31 December 2025 and 31 December 2024.

9 INVESTMENTS IN REAL ESTATE

	2025 US\$ '000	2024 US\$ '000
At 1 January	85,510	83,451
Additions / transfer during the year	111	3,308
Disposals during the year	(1,684)	(1,249)
As at 31 December 2025	83,937	85,510

Investments in real estate are stated at fair value which has been determined based on valuations performed by accredited independent property valuers. The valuations undertaken were based on open market values, which represent the prices at which the properties could be exchanged between knowledgeable willing buyers and knowledgeable willing sellers in an arm's length transaction.

In addition, Management applied further hair cuts to the valuation to arrive at the carrying values to reflect the illiquid nature of the real estate market and the overall economic and geopolitical environment prevailing.

10 PROPERTY, PLANT AND EQUIPMENT

	Capital WIP US\$ '000	Buildings on leasehold land US\$ '000	Machinery, equipment furniture and fixtures US\$ '000	Computer hardware and software US\$ '000	Motor vehicles US\$ '000	Total US\$ '000
Cost						
At 1 January 2025	1,726	4,196	12,855	1,793	2,322	22,892
Additions	1,434	-	29	1	-	1,464
Disposals	-	-	(3,868)	(2)	(791)	(4,661)
As at 31 December 2025	3,160	4,196	9,016	1,792	1,531	19,695
Accumulated depreciation						
At 1 January 2025	-	1,007	10,876	1,721	2,186	15,790
Charge	-	136	261	45	32	474
Disposals	-	-	(2,742)	-	(757)	(3,499)
As at 31 December 2025	-	1,143	8,395	1,766	1,461	12,765
Net book amount:						
As at 31 December 2025	3,160	3,053	621	26	70	6,930

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As at 31 December 2025

10 PROPERTY, PLANT AND EQUIPMENT

	<i>Capital WIP US\$ '000</i>	<i>Buildings on leasehold land US\$ '000</i>	<i>Machinery, equipment furniture and fixtures US\$ '000</i>	<i>Computer hardware and software US\$ '000</i>	<i>Motor vehicles US\$ '000</i>	<i>Total US\$ '000</i>
Cost						
At 1 January 2024	1,726	10,124	12,827	1,751	2,322	28,750
Additions	-	-	28	42	-	70
Transfer to Investment in real estate	-	(5,928)	-	-	-	(5,928)
As at 31 December 2024	1,726	4,196	12,855	1,793	2,322	22,892
Accumulated depreciation						
At 1 January 2024	-	3,447	10,417	1,663	2,104	17,631
Charge	-	180	459	58	82	779
Transfer to investment in real estate	-	(2,620)	-	-	-	(2,620)
As at 31 December 2024	-	1,007	10,876	1,721	2,186	15,790
Net book amount:						
As at 31 December 2024	1,726	3,189	1,979	72	136	7,102

Depreciation on property, plant and equipment charged to the consolidated statement of income is as follows:

	2025 US\$ '000	2024 US\$ '000
Depreciation charged to contract costs (note 18)	-	415
Depreciation charged to expenses	474	364
	474	779

11 OTHER ASSETS

	2025 US\$ '000	2024 US\$ '000
Advances to contractors	1,918	2,194
Less: provision for expected credit losses	(1,755)	-
	163	2,194
Prepayments	64	253
	227	2,447

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2025

12 RIGHT OF USE ASSET

	2025 US\$ '000	2024 US\$ '000
Cost		
At 1 January	641	328
Additions	-	313
	641	641
Accumulated amortisation		
At 1 January	388	282
Charge for the year (note 24)	104	106
	492	388
Net book value at 31 December	149	253

13 ACCOUNTS PAYABLE, PROVISIONS AND OTHER LIABILITIES

	2025 US\$ '000	2024 US\$ '000
Payable to the Government of Bahrain (note 13.1)	50,105	50,105
Accruals and other payables	3,997	4,427
Advances from construction clients	698	698
Trade payables	2,431	5,098
Retentions payable	1,182	1,464
Amounts due to related parties (note 13.2 and 28)	62	3,602
Other provision (note 13.3)	13,179	-
	71,654	65,394

Note 13.1

The Group had entered into a long term lease contract with the Ministry of Industry and Commerce ("MOIC") in December 2005, effective from May 2006, for a period of 50 years.

In accordance with the terms of the agreement with the MOIC, from the date of signing the agreement, no lease rent is payable for the first two years of the lease period, from 2006 to 2007. Lease rent payable, for the lease period (from 2008-2025), was deferred due to the cost incurred by the Group on the reclamation of the leasehold land. Thereafter, the Group is required to pay lease rental over thirty years (from 2026 to 2056).

Note 13.2

Amounts due to related parties are unsecured, bear no profit, have no fixed repayment terms and are authorised by the Group's management.

Note 13.3

A subsidiary of the Group is currently defending a legal dispute relating to a long term land lease arrangement with a claim of approximately US\$ 34 million. Multiple adverse rulings were awarded against the subsidiary, which is being contested through appropriate legal channels. As at the reporting date, the case remains under appeal at the Court of Cassation.

Given the ongoing nature of the proceedings and based on legal advice, further information in relation to this case has not been disclosed on the grounds that such disclosure could be seriously prejudicial. The provision represents management's best estimate of the potential net impact associated with this matter.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2025

14 SHARE CAPITAL

	2025 US\$ '000	2024 US\$ '000
Authorised		
375,000,000 (31 December 2024: 375,000,000) ordinary shares of US\$ 0.40 each	150,000	150,000
Issued and fully paid-up		
Opening balance		
306,853,523 (31 December 2024: 306,853,523) ordinary shares of US\$ 0.40 each	122,741	122,741
Treasury shares		
Less: 3,748,500 (31 December 2024: 3,748,500) treasury shares	(1,338)	(1,338)
Closing balance		
303,105,022 (31 December 2024: 303,105,022) ordinary shares	121,403	121,403

Additional information on shareholding pattern

Names and nationalities of the major shareholders and the number of shares they hold, without considering the treasury shares, are disclosed below (where their shareholding amounts to more than 5% or more of outstanding shares):

At 31 December 2025

Name	Incorporation	Number of shares	% holding
Gulf Investment House	State of Kuwait	500	0.00%
Sanad Company for buying and selling shares and bonds	State of Kuwait	26,737,697	8.71%
Others	Various	280,115,326	91.29%
		306,853,523	100%

At 31 December 2024

Name	Incorporation	Number of shares	% holding
Gulf Investment House	State of Kuwait	21,340,000	6.95%
Sanad Company for buying and selling shares and bonds	State of Kuwait	27,088,879	8.83%
Others	Various	258,424,644	84.22%
		306,853,523	100%

The Company has only one class of equity shares and the holders of these shares have equal voting rights. Further, all the shares issued are fully paid.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2025

14 SHARE CAPITAL (continued)**Additional information on shareholding pattern (continued)**

Distribution schedule of shares, setting out the number and percentage of holders is disclosed below:

At 31 December 2025

Categories:	No. of shares	No. of shareholders	% of total outstanding shares
Less than 1%	128,828,681	1,074	41.98%
1% up to less than 5%	82,537,727	11	26.90%
5% up to less than 10%	41,750,923	2	13.61%
*10% up to less than 50%	53,736,192	1	17.51%
	306,853,523	1,088	100%

*The shareholding represents shares held by a trading company on behalf of investors, which on an individual basis is not more than 10%.

At 31 December 2024

Categories:	No. of shares	No. of shareholders	% of total outstanding shares
Less than 1%	85,706,071	822	27.93%
1% up to less than 5%	113,134,698	14	36.87%
5% up to less than 10%	76,252,736	3	24.85%
10% up to less than 50%	31,760,018	1	10.35%
	306,853,523	840	100%

Details of shares owned by the directors of the Group are as follows:

	2025 % of total outstanding shares	2025 Number of shares	2024 % of total outstanding shares	2024 Number of shares
Husain Abdulhameed Alshehab	0.001%	4,121	0.00%	-
		4,121		-

15 RESERVES**a. Statutory reserve**

In accordance with the Bahrain Commercial Companies Law and the Company's articles of association, 10% of the net profit for the year is required to be transferred to a statutory reserve. The Company may resolve to discontinue such annual transfers when the reserve equals 50% of paid up share capital. The reserve is not available for distribution, except in circumstances as stipulated in the Bahrain Commercial Companies Law and following the approval of the Central Bank of Bahrain. No transfer to the statutory reserve has been made for the year ended 31 December 2025, as there was no profit (31 December 2024: US\$ nil.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2025

15 RESERVES (continued)**b. Fair value through equity reserve**

Unrealised gains and losses resulting from investments carried at fair value through other comprehensive income, if not determined to be impaired is recorded in the fair value reserve and is not available for distribution. Upon disposal of related assets, the related cumulative gains or losses are transferred to retained earnings and become available for distribution. Included in fair value reserve is an unrealised gain on investments for the year ended 31 December 2025 amounting to US\$ 35 thousand (31 December 2024: unrealised gain of US\$ 358 thousand).

16 TREASURY SHARES

Treasury shares represent 3,748,500 (31 December 2024: 3,748,500) shares amounting to US\$ 1,338,000 (31 December 2024: US\$ 1,338,000) representing 1.10% (31 December 2024: 1.10%) of the issued share capital, held by the Group.

17 DIVIDENDS APPROVED AND PAID

Following the shareholders' approval at the Annual General Meeting held on 20 March 2024, a cash dividend of US\$ 1.2 cents per share amounting to US\$ 3,566 thousand (excluding treasury shares) was paid and bonus shares equivalent to 1 share for every 50 shares held amounting to US\$ 2,378 thousand was issued during the year ended 31 December 2024 relating to the year ended 31 December 2023.

18 NET INCOME / (LOSS) FROM CONSTRUCTION CONTRACTS

	2025 US\$ '000	2024 US\$ '000
Contract income	1,422	1,428
Contract costs	(1,267)	(8,740)
	<u>155</u>	<u>(7,312)</u>

Contract costs include depreciation of US\$ Nil (31 December 2024: US\$ 415 thousand).

19 INCOME FROM INVESTMENTS IN REAL ESTATE

	2025 US\$ '000	2024 US\$ '000
Rental income	4,170	3,501
Realised loss on sale of investments in real estate	(355)	(109)
	<u>3,815</u>	<u>3,392</u>

20 FEE FROM MANAGEMENT AND OTHER SERVICES

Fee from management and other services mainly represent fees earned by the Group with respect to project structuring for related parties.

	2025 US\$ '000	2024 US\$ '000
Property and facility management income	1,233	1,421
Financial advisory service charges	80	80
Other management services	376	223
	<u>1,689</u>	<u>1,724</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2025

21 OTHER INCOME

	2025	2024
	US\$ '000	US\$ '000
Profit on short-term deposits	287	402
Electricity and water services	112	342
Income from leasing equipment and others	346	1,529
Gain on sale of fixed assets	743	-
	1,488	2,273

22 STAFF COSTS

	2025	2024
	US\$ '000	US\$ '000
Salaries and benefits	1,905	2,649
Other staff expenses	547	841
	2,452	3,490

23 GENERAL AND ADMINISTRATIVE EXPENSES

	2025	2024
	US\$ '000	US\$ '000
Legal and professional fees	1,544	936
Rent, rates and taxes	341	304
Board member expenses	88	178
Regulatory fees	241	197
IT related expenses	199	143
Advertising and marketing	46	65
Directors' professional liability insurance	66	20
Travelling and transportation	100	63
Other expenses	333	339
	2,958	2,245

24 NET IJARAH COST

	2025	2024
	US\$ '000	US\$ '000
Amortisation of right of use asset (note 12)	104	106
Amortisation of deferred ijarah cost	21	17
	125	123

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2025

25 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share amounts are calculated by dividing net income for the year attributable to equity holders of the parent by the weighted average number of shares outstanding during the year as follows:

	2025 US\$ '000	2024 US\$ '000
Income attributable to the equity shareholders of the Parent for the year	(18,634)	(8,524)
Weighted average number of shares outstanding at the beginning and end of the period - in thousands	303,105	303,105
Earnings per share - US\$ cents	(6.15)	(2.81)

The Company does not have any potentially dilutive ordinary shares, hence the diluted earnings per share and basic earnings per share are identical.

26 RELATED PARTY BALANCES AND TRANSACTIONS

Related parties comprise major shareholders, directors of the Group, key management personnel, entities owned or controlled, jointly controlled or significantly influenced by them and companies affiliated by virtue of shareholding in common with that of the Group and Shari'a Supervisory Board members and external auditors.

Terms and conditions of transactions with related parties

The Group enters into transactions, arrangements and agreements with its related parties in the ordinary course of business at terms and conditions approved by the Board of Directors. The transactions and balances arose from the ordinary course of business of the Group. Outstanding balances at the year end are unsecured.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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26 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Terms and conditions of transactions with related parties (continued)

The related party balances included in the consolidated financial statements are as follows:

	31 December 2025					31 Decemebr 2024				
	Key					Key				
	Associates and joint ventures	management and personnel/ external auditors	Board members	Other related parties	Total	Associates and joint ventures	management and personnel/ external auditors	Board members	Other related parties	Total
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Accounts receivable - gross	10,393	-	-	3,290	13,683	10,310	-	-	3,044	13,354
Provision	(2,998)	-	-	(2,166)	(5,164)	(2,998)	-	-	(2,166)	(5,164)
Accounts receivable - net	7,395	-	-	1,124	8,519	7,312	-	-	878	8,190
Investment in joint ventures and associates	91,407	-	-	-	91,407	95,928	-	-	-	95,928
Accounts payable, provisions and other liabilities	-	28	-	34	62	3,403	27	159	13	3,602

The related party transactions included in the consolidated financial statements are as follows:

	31 December 2025					31 Decemebr 2024				
	Key					Key				
	Associates and joint ventures	management and personnel/ external auditors	Board members	Other related parties	Total	Associates and joint ventures	management and personnel/ external auditors	Board members	Other related parties	Total
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Income										
Fee from management and other services	124	-	-	-	124	204	-	-	-	204
Share of net loss from investments in joint ventures and associates	(3,045)	-	-	-	(3,045)	(370)	-	-	-	(370)
	(2,921)	-	-	-	(2,921)	(166)	-	-	-	(166)
Expenses										
Staff costs	-	1,053	-	-	1,053	-	1,338	-	-	1,338
General and administrative expenses	21	137	88	54	300	10	96	178	204	488
	21	1,190	88	54	1,353	10	1,434	178	204	1,826

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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27 SOURCES AND APPLICATION OF CHARITY

	2025 US\$ '000	2024 US\$ '000
Sources of charity funds		
Balance at 1 January	21	21
Contributions for charitable purposes	-	-
Total sources of charity funds available	21	21
Uses of charity funds	-	-
Undistributed charity funds at end of the period	21	21

28 SEGMENTAL INFORMATION

Segmental information is presented in respect of the Group's business segments. A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. For management purposes, the Group is organised into three major business segments.

The accounting policies of the segments are the same as those applied in the preparation of the Group's consolidated financial statements as set out in note 3 to the consolidated financial statements. Transactions between segments are conducted at estimated market rates on an arm's length basis.

Segment information is disclosed as follows:

	31 December 2025				
	<i>Investment and related services US\$ '000</i>	<i>Construction Contracts US\$ '000</i>	<i>Development and sale of industrial plots US\$ '000</i>	<i>Eliminations US\$ '000</i>	<i>Total US\$ '000</i>
Net revenues from external customers	1,188	155	501	-	1,844
Inter-segment transactions	54	-	744	(798)	-
Income from investments	11,918	28	(7,935)	-	4,012
Share of net loss from investments in joint ventures and associates (note 8)	(79)	(1,752)	(1,214)	-	(3,045)
Other income	206	1,035	247	-	1,488
Total revenue	13,288	(534)	(7,657)	(798)	4,299
Staff costs	1,868	197	387	-	2,452
General and administrative expenses	1,860	865	581	(348)	2,958
Property related expenses	2,195	-	347	(397)	2,145
Others	283	314	2	-	599
Total operating expense	6,206	1,376	1,317	(745)	8,154
Provisions reversal / (charge)	(120)	(1,659)	(12,964)	-	(14,743)
Segment (loss) / profit	6,962	(3,569)	(21,938)	(53)	(18,598)
Segment assets	424,223	19,841	102,285	(331,347)	215,002
Segment liabilities	151,120	6,169	76,379	(161,894)	71,774

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28 SEGMENTAL INFORMATION (continued)

	31 December 2024				
	<i>Investment and related services US\$ '000</i>	<i>Construction Contracts US\$ '000</i>	<i>Development and sale of industrial plots US\$ '000</i>	<i>Eliminations US\$ '000</i>	<i>Total US\$ '000</i>
Net revenues from					
external customers	735	(7,312)	989	-	(5,588)
Inter-segment transactions	(286)	22	616	(352)	(0)
Income from investments	2,118	-	1,433	-	3,551
Net share of loss from investment in joint ventures and associates (note 8)	(267)	(103)	-	-	(370)
Other income	163	1,665	445	-	2,273
Total revenue	2,463	(5,728)	3,483	(352)	(134)
Staff costs	2,072	1,035	383	-	3,490
General and administrative expenses	1,819	512	133	(219)	2,245
Property related expenses	1,920	-	287	(396)	1,811
Others	218	327	2	(60)	487
Total operating expense	6,029	1,874	805	(675)	8,033
Provisions reversal / (charge)	34	(20)	(313)	-	(299)
Segment (loss) / profit	(3,532)	(7,622)	2,365	323	(8,466)
Segment assets	430,069	30,175	98,297	(331,114)	227,427
Segment liabilities	137,800	12,936	50,497	(135,597)	65,636

29 CONTINGENCIES AND COMMITMENTS

Credit-related commitments include commitments to extend guarantees and acceptances which are designed to meet the requirements of the Group's customers. Guarantees and acceptances commit the Group to make payments to third parties on behalf of customers in certain circumstances.

The Group has the following credit related commitments:

	2025 US\$ '000	2024 US\$ '000
Guarantees	4,307	4,307
Guarantees relating to a joint venture	-	7,729
	4,307	12,036

30 FIDUCIARY ASSETS

The assets managed on behalf of customers, to which the Group does not have any legal title are not included in the consolidated statement of financial position. At 31 December 2025, the carrying value of such assets is US\$ 73.14 million (31 December 2024: US\$ 73.19 million). The share of assets relating to non-controlling shareholders within the subsidiaries consolidated in the financial statements amounted to US\$ 27.20 million (31 December 2024: US\$ 27.10 million).

31 RISK MANAGEMENT

Risk is defined as the combination of severity and frequency of potential loss over a given time horizon and is inherent in the Group's activities. Risk can be expressed in the dimensions of potential severity of loss (magnitude of impact) and potential loss frequency (likelihood of occurrence). Risk management is the process by which the Group identifies key risks, sets consistent understandable risk measures, chooses which risks to reduce, which to increase and by what means, and establishes procedures to monitor the resulting risk position. Risk management is the discipline at the core of every financial institution and encompasses all the activities that affect its risk profile. It involves identification, measurement, monitoring and controlling risks to ensure that optimum value is created for the shareholders through an optimum return on equity by an appropriate trade-off between risk and return.

Effective risk management is the cornerstone of capital structure. The vision of risk management is to address all aspects of risk which the Group may be exposed to. The Group's risk function is independent of lines of business and is managed by the Audit, Risk & Corporate Governance Committee (ARCGC) and the Interim Head of Compliance is appointed by the Audit and Risk Committee, who then report to the Board of Directors. The key role of the risk management function is defining, identifying and reducing risks, and being independent and objective.

The Group has exposure to risks, which include credit, market, liquidity, reputation, compliance and operational risks. Market risk includes currency, equity price and profit rate risk. Taking risk is core to the financial business. The Group's aim is to achieve an appropriate balance between risk and return and minimise potential adverse effect on the Group's financial performance.

Risk governance

The Board of Directors of the Group has overall responsibility for the oversight of the risk management framework and reviewing its risk management policies and procedures. The risks both at portfolio and transactional levels are managed and controlled through the Board Risk Committee.

a) Credit risk

Credit risk is defined as the potential that a borrower or counterparty will fail to meet its obligations in accordance with the agreed terms. The goal of credit risk management is to maximize the Group's risk-adjusted rate of return by maintaining credit exposures within acceptable parameters. The Group has well-defined policies and procedures for identifying, measuring, monitoring and controlling credit risk in all the Group's activities.

i) *Maximum exposure to credit risk without taking account of any collateral and other credit enhancements*

The Group's maximum exposure to on-balance sheet credit risk is reflected in the carrying amounts of financial assets on the consolidated statement of financial position. The impact of possible netting of assets and liabilities to reduce potential credit exposure, is not significant.

Credit risk for off-balance sheet financial instruments is defined as the possibility of sustaining a loss as a result of another party to a financial instrument failing to perform in accordance with the terms of the contract.

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31 RISK MANAGEMENT (continued)**a) Credit risk (continued)****i) Maximum exposure to credit risk without taking account of any collateral and other credit enhancements (continued)**

The table shows the maximum exposure to credit risk for the components of the consolidated statement of financial position. The maximum exposure is shown gross, before the effect of mitigation through the use of collateral agreements, but after impairment provisions, where applicable.

	Gross maximum exposure 2025 US\$ '000	Gross maximum exposure 2024 US\$ '000
Bank balances	10,519	10,649
Accounts receivable	11,531	14,933
Commitments and contingent liabilities	-	7,729
Total	22,050	33,311

ii) Concentration risk

Concentration risk arises when a number of counterparties are engaged in similar economic activities or activities in the same geographic region or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Group seeks to manage its concentration risk by establishing and constantly monitoring geographic and industry wise concentration limits.

The Group's exposure analysed on geographic regions and industry sectors is as follows:

	31 December 2025			31 December 2024		
	Assets	Liabilities	Contingent liabilities	Assets	Liabilities	Contingent liabilities
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Geographic region:						
Kingdom of Bahrain	167,718	71,774	-	179,323	65,611	7,729
Other GCC countries	47,284	-	-	48,104	25	-
	215,002	71,774	-	227,427	65,636	7,729
	31 December 2025			31 December 2024		
	Assets	Liabilities	Contingent liabilities	Assets	Liabilities	Contingent liabilities
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Industry sector:						
Real estate	197,854	13,804	-	181,868	48,454	7,729
Non real estate	17,148	57,970	-	45,559	17,182	-
	215,002	71,774	-	227,427	65,636	7,729

b) Market risk

Market risk arises from fluctuations in profit rates, foreign exchange rates and equity prices. Market risk is the risk that changes in market risk factors, such as currency risk, profit rates and equity prices will effect the Group's income or the value of its holding of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

31 RISK MANAGEMENT (continued)**b) Market risk (continued)****i) Profit rate risk**

Profit risk is the risk that the Group's profitability or fair value of its financial instruments will be adversely affected by the changes in profit rates. The Group's assets and liabilities are not considered by management to be sensitive to profit rate risk.

ii) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group views the Bahraini Dinars as its functional currency and United States Dollar as its reporting currency. As at 31 December 2025 and 2024, the Group had net foreign currency exposure in respect of Bahraini Dinars and Kuwaiti Dinars. Bahraini Dinars are pegged to the United States Dollar and thus are considered not to represent significant currency risk. The Group's net exposure to Kuwaiti Dinars is considered minimal.

iii) Equity price risk

Equity price risk is the risk that the fair values of equities decrease as the result of changes in the levels of equity indices and the value of individual stocks. The Group has no quoted equity investments and has unquoted investments designated at fair value through equity.

The effect on fair value reserve (as a result of a change in the net asset value of equity investments) due to a reasonable possible positive change (ie. +5%) in the value of individual investments, with all other variables held constant, is US\$ 518 thousand (2024: US\$ 530 thousand) and vice versa. However, if an investment is assessed to be impaired the same impact will affect the consolidated statement of income.

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31 RISK MANAGEMENT (continued)**c) Liquidity risk**

Liquidity risk is the potential inability of the Group to meet cash flows of its maturing obligations to a counterparty. Liquidity risk management seeks to ensure that the Group has the ability, under varying scenarios, to fund increases in assets and meet maturing obligations as they arise. Management of the Group is responsible for its liquidity management.

The table below summarises the maturity profile of the Group's assets and liabilities as of 31 December 2025 based on expected periods to cash conversion from the consolidated statement of financial position date:

	<i>Up to 1 Month US\$ '000</i>	<i>1 to 3 months US\$ '000</i>	<i>3 to 6 months US\$ '000</i>	<i>6 months to 1 year US\$ '000</i>	<i>1 to 5 years US\$ '000</i>	<i>5 to 10 years US\$ '000</i>	<i>Over 10 years US\$ '000</i>	<i>No fixed maturity US\$ '000</i>	<i>Total US\$ '000</i>
ASSETS									
Cash and bank balances	8,748	1,720	-	-	-	-	-	-	10,468
Accounts receivable	1,521	2,669	20	-	(15)	-	-	7,336	11,531
Investments	-	-	-	-	-	-	-	10,353	10,353
Investment in joint ventures and associates	-	-	-	-	-	-	-	91,407	91,407
Investments in real estate	-	-	-	-	-	-	-	83,937	83,937
Property, plant and equipment	-	-	-	-	-	-	-	6,930	6,930
Right of use asset	-	-	-	-	149	-	-	-	149
Other assets	-	163	-	64	-	-	-	-	227
Total assets	10,269	4,552	20	64	134	-	-	199,963	215,002
LIABILITIES									
Other liabilities and accounts payable	603	7,192	-	190	16,848	-	46,785	36	71,654
Ijarah liability	-	-	-	-	120	-	-	-	120
Total liabilities	603	7,192	-	190	16,968	-	46,785	36	71,774
Net liquidity gap	9,666	(2,640)	20	(126)	(16,834)	-	(46,785)	199,927	143,228
Cumulative liquidity gap	9,666	7,026	7,046	6,920	(9,914)	(9,914)	(56,699)	143,228	
Contingencies and commitments	-	-	-	-	4,307	-	-	-	4,307

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31 RISK MANAGEMENT (continued)**c) Liquidity risk (continued)**

The table below summarises the maturity profile of the Group's assets and liabilities as of 31 December 2024 based on expected periods to cash conversion from the consolidated statement of financial position date:

	<i>Up to 1 Month US\$ '000</i>	<i>1 to 3 months US\$ '000</i>	<i>3 to 6 months US\$ '000</i>	<i>6 months to 1 year US\$ '000</i>	<i>1 to 5 years US\$ '000</i>	<i>5 to 10 years US\$ '000</i>	<i>Over 10 years US\$ '000</i>	<i>No fixed maturity US\$ '000</i>	<i>Total US\$ '000</i>
ASSETS									
Cash and bank balances	9,310	1,348	-	-	-	-	-	-	10,658
Accounts receivable	1,811	2,326	2,015	919	1,631	234	-	5,997	14,933
Investments	-	-	-	-	-	-	-	10,596	10,596
Investment in joint ventures and associates	-	-	-	-	-	-	-	95,928	95,928
Investments in real estate	-	-	-	-	-	-	-	85,510	85,510
Property, plant and equipment	-	-	-	-	-	-	-	7,102	7,102
Right of use asset	-	-	-	84	169	-	-	-	253
Other assets	5	75	2,106	146	115	-	-	-	2,447
Total assets	11,126	3,749	4,121	1,149	1,915	234	-	205,133	227,427
LIABILITIES									
Other liabilities and accounts payable	8,895	3,780	426	582	7,954	8,290	35,467	-	65,394
Ijarah liability	-	-	-	81	161	-	-	-	242
Total liabilities	8,895	3,780	426	663	8,115	8,290	35,467	-	65,636
Net liquidity gap	2,231	(31)	3,695	487	(6,201)	(8,056)	(35,467)	205,133	161,791
Cumulative liquidity gap	2,231	2,200	5,895	6,382	181	(7,875)	(43,342)	161,791	
Contingencies and commitments	-	-	-	-	12,036	-	-	-	12,036

d) Operational risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputational risk.

A framework and methodology has been developed to identify and control the various operational risks. A strong internal audit function makes regular, independent appraisals of the control environment in all identified risk areas. Adequately tested contingency arrangements are also in place to support operations in the event of a range of possible disaster scenarios.

31 RISK MANAGEMENT (continued)

e) Other risks

Regulatory risk

Regulatory risk is defined as the risk of non-compliance with regulatory and legal requirements in the Kingdom of Bahrain and the State of Kuwait. The Group's Compliance Department is currently responsible for ensuring all regulations are adhered to.

Legal risk

Legal risk is defined as the risk of unexpected losses from transactions and contracts not being enforceable under applicable laws or from unsound documentation. The Group deals with several external law firms to support it in managing the legal risk.

Reputation risk

Reputation risk is defined as the risk that negative perception regarding the Group's business practices or internal controls, whether true or not, will cause a decline in the Group's investor base and lead to costly litigations which could have an adverse impact on the liquidity of the Group. The Board of Directors examines the issues that are considered to have reputation repercussions for the Group and issues directives to address these.

32 SOCIAL RESPONSIBILITY

The Group intends to discharge its social responsibilities through donations to charitable causes and organisations.