



PRESS RELEASE

Inovent Reports US\$10.1 million Net Profit for 2016 Board Recommends Distribution of 7% Cash Dividend

Manama, Bahrain 13 February 2017: Inovent Group announced today its financial results for the year ended 31st December 2016, reporting a consolidated net profit attributable to equity shareholders of US\$ 10.1 million as compared to a net loss of US\$ 48.1 million in 2015. Net profit for the last 3 month of 2016 amounted 0.9 million compared to a net loss of 45.5 million for the same period in 2015.

The key performance indicators of Inovent's 2016 financial results include an increase of 788% in its operating income to US\$16 million in comparison to US\$1.8 million at the end of 2015. Further, the Group's operating expenses saw a 23% decline, standing at US\$8.5 million as compared to US\$11.1 million in 2015. Total Assets declined slightly by 4.7% amounting to US\$ 263 million in 2016 in comparison to US\$ 276 million in 2015, while Total Liabilities decreased by 13.2% amounting to US\$125 million in 2016 compared to US\$144 million in 2015. Return on Equity increased to 8%, the Liquidity Ratio stands at 15%, and the Capital Adequacy Ratio stands at 19% above the regulatory limit. The Earnings Per Share for the year ended 2016 amounted to US cents 3.55 compared to a Loss Per Share of US cents 16.88 for the same time period in 2015.

Commenting on the results, Mr. Khaled Al Sanousi, the Chairman of the Board of Directors of Inovent said, "Our turnaround performance and the consistent quarter on quarter profitability this year stand testament to the Group's three-year strategy (2016-2018). The Group's strategy included key targets such as a return to profitability in 2016, which was successfully achieved as a result of our effective management of operating expenses, successful investment exits, improving performance of existing investments, and a reduction in financing costs which dropped by a significant 74%, as well as a debt restructuring, as financing to banks dropped by 31%. Furthermore, we have witnessed an increase in revenues from our construction activities led by our contracting subsidiary "Tamcon".

Al Sanousi added, "It is with great pride that I look back on the achievements of 2016 fiscal year as they coincide with the Group's fifteenth year in business. For us, these fifteen years represent a great deal; they echo remarkable lessons learned, from years of record development and growth, to the implementation of landmark projects, to overcoming significant challenges, and ultimately a solid return to profitability."

Al Sanousi added, that in light of the positive results, the Board of Directors has recommended to the Annual General Assembly a cash dividend distribution of 7% subject to the approval of Central Bank of Bahrain and the Ministry of Industry and Commerce and Tourism.

Mr. Murad Al Ramadan, CEO of Inovent, commented saying, "This turnaround year represents a critical turning point in our Group's history. The support of our Board of Directors and the efforts of our team have been central to this year's success. Al Ramadan acknowledged that Inovent was not



without its residual challenges, but affirmed the Group's commitment to implementing its 3-year strategy. We will strive to maintain and accelerate our performance in 2017, as we will continue to improve the performance of our investment portfolio and achieve further successful investment exits and asset disposals. We will also aim to reduce the size of our Assets under management portfolio with an objective to focus efforts on direct investments by the group and strategic partnerships. We will also try to undertake more construction contracts through our contracting arm "Tamcon", after successfully completing several housing and governmental projects in the Kingdom of Bahrain.

As for our new Investments pipeline, Al Ramadan added that Inovest started evaluating new investment opportunities in the F&B and retail sectors as well as opportunities in the education and health care sectors that will be announced soon.

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About Inovest

Established in 2002 in the Kingdom of Bahrain, Inovest is a Sharia'a compliant category-1 investment company regulated by the Central Bank of Bahrain. Inovest's business spans three principle areas: direct investment, asset management, and real estate investment. Based in the Kingdom of Bahrain, Inovest is the parent company for Al Khaleej Development Company "Tameer" and Tamcon Contracting Co. Inovest has been cross-listed on Bahrain Bourse and Boursa Kuwait since 2005. For more information, please visit www.inovest.bh