



PRESS RELEASE

INOVEST Announces Financial Results for the First Quarter of 2019

Manama, Bahrain; May 5th, 2019: INOVEST announced its financial results for the first three months of 2019, reporting a consolidated net profit attributable to parent shareholders of US\$3.02 million, representing a 1% increase as compared to US\$2.99 million for the same period of last year. The Group also reported that Earnings Per Share attributable to the equity shareholders of the parent company in the first three months of 2019 amounted to US cents 1.07 as compared to US cents 1.06 for the same period in 2018. Within the first quarter of 2019, the consolidated net operating profit declined by 17% from US\$2.98 million to US\$2.47 million due to an increase in the Group's operating expenses as well as a decrease in revenue from the Group's contracting activities, a natural repercussion of having recently completed and wrapped up works on a major government construction contract. On the other hand, the operating income increased by 10% in the first quarter of this year, reaching US\$5.75 million in comparison to US\$5.21 million for the same period of 2018 as a result of income from real estate investments, which surpassed the Group's comparative decline in contracting revenues. The Group's operating expenses saw an increase of 47%, standing at US\$3.27 million in the first three months of 2019 in comparison to US\$2.23 million for the same period of 2018. The increase stems from the aforementioned completion of a major government project, warranting the reclassification of labour expenses within the Group's contracting arm from a project level cost to an operational level, until works begin on new construction projects.

Looking at the Group's key balance sheet indicators, the Equity Attributable to Parent Shareholders, declined slightly by 2% to stand at US\$133.77 million at the end of the March 31st 2019 in comparison to US\$136.53 million at the end of 2018. The decline is the result of a recently announced dividend payout to shareholders. Within the same period, INOVEST reported consolidated total assets of US\$261.00 million, representing a minor decline of 2% during the first three months of 2019 in comparison to US\$267.00 million at the end of 2018. On the liquidity front, INOVEST maintained its liquidity position, with cash and bank balances representing 17% of the total consolidated assets. As of March 31st 2019, the cash and bank balances rose to reach US\$43.98 million, a 21% increase from US\$36.38 million at the end of 2018. The increase in liquidity is largely the result of revenues from contracting investment activities and exits from investments.

Commenting on the results, INOVEST's Chairman Dr. Omar Al Mutawa said, "We closed our books in 2018 on a positive note having announced a solid 5% dividends in delivery of our promise for successful shareholder returns. Today, at the end of the first quarter of 2019, we are pleased to see INOVEST reporting a consolidated net profit attributable to parent shareholders of US\$3.02 million despite the economic challenges faced by many on both a regional and international level." Dr. Al Mutawa continued noting that INOVEST had begun working on several high-level initiatives from its new three-year strategy, with the aim of fulfilling specific objectives outlined for the years to come; designed to ultimately provide returns to the company and its shareholders. Dr. Al Mutawa further explained the overall mandate towards building a sustainable business model for INOVEST; one that allows the company to grow and consistently deliver the highest levels of performance in its investments, whilst maintaining the flexibility to manage possible challenges that may inhibit its success.

CEO of INOVEST, Mr. Yasser Al Jar, said "In line with our strategy, we have been actively reviewing several potential investment opportunities within the education, healthcare, and industrial sectors. Today we stand at an advanced stage in our investment assessments, with the objective of closing deals as swiftly as possible. Regarding our ongoing portfolio, we will continue to strive towards improving performance within some of our investments and have explored several business options to that end. Simultaneously, we are also monitoring and preparing exit strategies for some of our other, more advanced, investments. It is our primary objective and focus, for both our new pipeline of opportunities as well as our existing investments, to ensure that we work towards and achieve a solid, sustainable, business platform from which to grow our assets in a risk-balanced manner."

INOVEST.

It is noted that this press release and INOVEST'S financial results are available on Bahrain Bourse and Boursa Kuwait's websites, and that INOVEST is listed under the respective ticker/trading codes "INOVEST\$" and "INOVEST/817".

-Ends-

About INOVEST

Established in 2002 in the Kingdom of Bahrain, INOVEST is a Category 1 Investment Firm (Shari'a Principles) regulated by the Central Bank of Bahrain and publicly listed on both Bahrain Bourse and Boursa Kuwait. INOVEST's business spans three principle areas: direct investment, asset management, and real estate investment. Based in the Kingdom of Bahrain, INOVEST is the ultimate parent company for Al Khaleej Development Company "**Tameer**", Bahrain Investment Wharf "**BIW**" and Tamcon Contracting Co. For more information, please visit www.inovest.bh