



PRESS RELEASE

INOVEST Announces Financial Results for the First Half of 2019

Manama, Bahrain; July 28th, 2019: INOVEST announced its financial results for the first half of 2019, reporting a consolidated net profit attributable to parent shareholders of US\$4.29 million, representing a 58% decrease as compared to US\$10.16 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 six months of 2019 amounted to US cents 1.52 as compared to US cents 3.59 for the same period in 2018. Within the first half of 2019, the consolidated net operating profit declined by 65% from US\$9.82 million to US\$3.40 million due to an increase in the Group's operating expenses as well as an expected decrease in revenue from the Group's contracting activities and the capital gain from one of the investment disposal that has been taken place in the same period of last year. Consequently, the operating income decreased by 34% in the first half of this year, reaching US\$9.89 million in comparison to US\$14.90 million for the same period of 2018. The Group's operating expenses saw an increase of 28%, standing at US\$6.49 million in the first half of 2019 in comparison to US\$5.07 million for the same period of 2018. This increase continues to stem, as it did in the first quarter of the year, from the reclassification of labour expenses within the Group's contracting arm from a project level to an operating level due to the completion of a large Government contract. From financial position perspective the Equity Attributable to Parent Shareholders, declined slightly by 1% to stand at US\$135.12 million in comparison to US\$136.53 million at the end of 2018 as a result of INOVEST's recent dividend payout. Within the same period, INOVEST reported consolidated total assets of US\$249.32 million, representing a decline of 7% during the second quarter of 2019 in comparison to US\$266.97 million at the end of 2018. In terms of its liquidity position, cash and bank balances stood at a healthy 18% of the total consolidated assets. As of June 30th 2019, the cash and bank balances rose to reach US\$43.78 million, a 20% 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.

Looking more specifically at INOVEST's quarterly financial results illustrates that for the second quarter of the current year, INOVEST's recorded a consolidated net profit attributable to the parent shareholders of US\$ 1.27 million in comparison to US\$ 7.18 million for the same quarter of last year, representing 82% decrease and, accordingly, the Earnings Per Share attributable to the equity shareholders of the parent company for the second quarter of 2019 amounted to US cents 0.45 as compared to US cents 2.53 for the same period in 2018. The consolidated operating profit for this quarter decreasing by 57% to reach US\$4.15 million in comparison to US\$9.69 million for the second quarter of 2018., the net operating profit decreases from US\$0.930 million for the second quarter ended 30 June 2019 for the same period last year was US\$6.84 million.

Commenting on the results, INOVEST's Chairman Dr. Omar Al Mutawa said, "Despite a challenging regional economic climate, and a specifically challenging investment atmosphere, we are pleased to see INOVEST sustaining its profitability; a condition it has upheld quarter on quarter from 2016 to date. The Group performance for the first half of 2019 is a clear indication of our commitment to achieving the goals of our recently approved strategy. In accordance to it, we have taken some necessary steps towards improving the efficiency of investments held by the Group; God willing we hope to quickly see the realization of these efforts and actions." Dr. Al Mutawa further noted, "In terms of new investment opportunities, we are in the process of undertaking an investment opportunity prospect that has been under review by the executive team and which will be announced in due course."

CEO of INOVEST, Mr. Yasser Al Jar also reflected on the Group results noting, "The sustenance of our key financial indicators in terms of profitability, shareholder returns, and liquidity are a clear reference of our dedication towards meeting corporate objectives. The seasoned investor will know that the reported dip in net profit attributable to parent shareholders stems in principle from the extraordinary profit attained from contracting agreements and investment exits accounted for during this time last year. Accordingly, our results during the first half of the year follow a very natural and expected curve, especially in relation to the normal fluctuations that we, and our counterparts, are exposed to within the investment industry."



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".

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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