



PRESS RELEASE

INOVEST Announces its First Half Year Results of 2022

Manama, Bahrain; August 4th, 2022: INOVEST announced its financial results for the three months ended June 30th 2022, showing a consolidated net profit attributable to parent shareholders of US\$ 0.15 million in comparison to a net loss of US\$ 1.60 million for the same quarter of last year. Accordingly, the Basic Earnings Per Share for the second quarter of 2022, rose to US cents 0.05 as compared to Loss Per Share of US cents 0.54 for the same period in 2021. This stems primarily from positive contributions in the construction and real estate business, as well as a reversal of a previously taken provision against expected legal actions from several parties which has been concluded as a result of number of court rulings that came in favor of Inovest during the first half of 2022. The net operating loss stood at US\$ 1.02 million in the second quarter of this year in comparison to a loss of US\$ 1.52 million for the second quarter of 2021, attributable to same reason mentioned above except for the provision reversal. The consolidated operating income increased by 45% to reach US\$ 1.26 million for the second quarter of 2022 in comparison to US\$ 0.87 million whilst the Group's operating expenses were reduced slightly by 5%, standing at US\$ 2.27 million in the second quarter of 2022 in comparison to US\$ 2.39 million for the same period of 2021.

INOVEST's financial results for the first half of 2022 show a consolidated net profit attributable to parent shareholders of US\$1.44 million, as compared to loss of US\$ 1.67 million for the same period last year. The Group also reported that Basic and Diluted Earnings Per Share of the parent company in the first six months of 2022 amounted to US cents 0.49 as compared to Loss per share of US cents 0.56 in 2021. This increase is primarily attributed to an improvement in revenues from the real estate and contracting sector, as well as a reversal of a previously taken provision. Additionally, INOVEST maintained specific control over expenses across its business. Within the first half of 2022, the consolidated net operating profit increased by 115%, reaching a profit of US\$ 0.264 million in comparison to a loss of US\$ 1.80 million for the same period of 2021 due in large to the aforementioned reasons except for the provision reversal. Furthermore, the consolidated operating income for the six months of 2022 increased by 68% to reach US\$ 4.70 million in comparison to US\$ 2.79 million last year.

In regard to the Group's key balance sheet indicators, the equity attributable to parent shareholders stood at US\$ 144.53 million in comparison to US\$ 143.09 million at the end of 2021. Within the same period, INOVEST reported a slight increase by 2.4% in consolidated total assets which stood at US\$ 249.33 million in comparison to US\$ 243.48 million at the end of 2021. On the liquidity front, INOVEST's cash and bank balances stood at around 10% of the total consolidated assets. To that end, the cash and bank balances stood firm at US\$ 24.41 million.

Commenting on these results, INOVEST's Chairman, Mr. Mohammed Hamed Al Shalfan said, "INOVEST has maintained a steadfast focus on achieving key milestones established within its recently approved strategy, whilst simultaneously having to consider and respond to the impact and aftermath stemming from the COVID 19 pandemic. Subsequently, whilst some investments saw a sustained rate of occupancy throughout, the road to recovery has brought about more solid improvements in the occupancy of other real estate investments. Overall, this has further supported the Group's previously disclosed intention to activate a greater presence within the real estate sector through its key subsidiary Al Khaleej Development Company "Tameer". As for new investment opportunities, it is expected that INOVEST will undertake new prospects within the third and fourth quarters of this year. Across the board, INOVEST maintains every confidence that it will continue to deliver the highest levels of added value to its shareholders."

From his end, CEO of INOVEST, Mr. Yasser Al Jar provided additional operational insight, "As a result of diligent efforts across previous quarters, the Group was able to record a substantial improvement in its

operating profits as compared to the same period last year. This confirms and stands testament to the robust nature of our strategy, and to its ability to deliver a solid, albeit gradual, impact on the quality of INOVEST's investment portfolio. As for developments in our more recent investments, Advanced Projects Group Holding WLL, a specialist Wood Plastic Composite manufacturer based in Kuwait, has continued to deliver consistently positive results within the first half of this year. Looking at the Group's subsidiaries, Tamcon, the Group's contracting arm, has delivered approximately 25% of a recently awarded tender for the development of a Northern City project consisting of four residential buildings and 282 residential units. The Eastern Hidd residential project, which includes 520 housing units, will also see works commencing within the third quarter of this year. On another front, the BIW Labour Accommodations, a key project to the Group, has seen significant improvement in its occupancy as a result of an uptake in the contracting sector fueled by developments in both public and private development projects. Finally, looking at new investment opportunities, the Group is in the final stages of establishing its directives for a prospective investment."

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