



PRESS RELEASE

INOVEST Discloses Financial Results for the Year Ended 31st December 2018

Board Recommends Distribution of 5% Cash Dividends, Subject to Regulatory Approval

Manama, Bahrain; February 17th, 2019: INOVEST announced its financial results for the year ended December 31st 2018, reporting a consolidated net profit attributable to parent shareholders of US\$14.01 million, representing a 139% increase as compared to US\$5.86 million for last year. The Group also reported that Earnings Per Share attributable to the equity shareholders of the parent company as at December 31st 2018 amounted to US cents 4.95 as compared to US cents 2.06 in 2017. The Net Operating Profit increased by 3%, reaching US\$12.52 million at year end 2018, up from US\$ 12.17 million in 2017. The impressive improvement is primary due to recoveries from provisions of US\$1.54 million in comparison to provisions of US\$ (6.12 million) in 2017, as well as an increase in revenues from real estate investments, equity investments, and construction contracts. Accordingly, the consolidated operating income for 2018 increased by 2% from US\$23.21 million to US\$23.73 million. The consolidated net profit increased by 132%, reaching US\$14.06 million in comparison to US\$6.05 million for the same period of 2017. The Group's operating expenses remained relatively stable, standing at US\$11.22 million for the twelve months of 2018 in comparison to US\$11.04 million for 2017, reflecting a marginal increase of 2%. In light of the positive results, the INOVEST Board of Directors recommended, in its last session held on February 14th, 2019, to the Annual General Assembly a cash dividend distribution of 5% of paid up capital subject to the approval of Central Bank of Bahrain and the Ministry of Industry and Commerce and Tourism.

Looking at the Group's fiscal indicators, the Equity Attributable to Parent Shareholders, increased by 12% to stand at US\$136.53 million at the end of the of December 31st, 2018 in comparison to US\$122.40 million at 2017 year-end. Within the same period, INOVEST reported consolidated total assets of US\$266.97 million, representing an increase of 1% in comparison to US\$265.35 million as of 2017 year-end. On the liquidity front, INOVEST further improved its liquidity position, with cash and bank balances representing 14% of the total consolidated assets. As of December 31st 2018, the cash and bank balances rose to reach US\$36.38 million, a 67% increase from US\$21.740 million as of 31 December 2017.

INOVEST's quarterly financial results for the three months ended 31st December 2018, show a consolidated net profit attributable to the parent shareholders of US\$1.70 million in comparison to a loss of (US\$13.05) million for the same quarter of last year, which represents an increase of 113%. Accordingly, the Earnings Per Share attributable to the equity shareholders of the parent company for the last quarter of 2018 amounted to US cents 0.60 as compared to Loss Per Share of US cents (4.58) for the same period in 2017. The consolidated operating income for this quarter declined by 24% to reach US\$4.22 million in comparison to US\$5.58 million for the same quarter of 2017.

Commenting on the results, INOVEST's Chairman Dr. Omar Al Mutawa said, "To begin, I will like to extend my congratulations to our valued shareholders over what has been a highly successful financial year for INOVEST, in spite of a turbulent regional economic environment. In fact, INOVEST's achievements this year come in continuation of over three years of consistent profitability; a testament to the Group's strategies and the capabilities of the team members within the organization. To that end, we take even greater responsibility for furthering this success in a sustainable manner that ensures steady shareholder returns in the years to come. We are pleased to report that under the guidance of the Board of Directors, 2018 has been a year of stability and growth for INOVEST. More importantly, we have within the year established two critical building blocks for our future development. First and foremost, we established INOVEST's core executive team and secondly, we have determined INOVEST's strategic direction, formalized in our recently announced three-year plan for 2019-2021. Our strategy will focus on the principles of sustainability, growth, and diversity, to



be achieved through our perseverance in maintaining profitability, improving performance of investments, as well as diversifying risk through exploring new investment sectors.”

Dr. Al Mutawa also noted that it had been a Board-led priority for INOVEST to maintain high levels of coordination and communication with its key stakeholders, from investors to shareholders and associated regulatory authorities. Looking forward, Dr. AlMutawa said, “We have every faith that INOVEST is geared towards a new era of expansion, the executive management has in place the strategic direction to explore new investment opportunities and to further improve the performance of our current investment portfolio.” Dr. Al Mutawa also took the opportunity to thank INOVEST’s shareholders for their continuous support and trust.

From his end, Mr. Yasser Al Jar, CEO of INOVEST, said “We view this year as a key continuum of INOVEST’s improved development, especially, across the past three years in which we have showed consistent enhancement and sustenance of profitability. Our key financial indicators have reflected this, with a marked improvement in our Return on Equity, Return on Assets, Liquidity indicators, and percentage growth of Shareholders Equity; all of which assures us of Shareholder confidence in our fiscal position as a Group. As a clear reflection of our positive results for the year, INOVEST recorded a Return on Equity of 10.3%, as well as a Return on Assets of 5.3%. On the liquidity front, INOVEST logged a solid liquidity level with cash and bank balances representing 14% of the total consolidated assets, ensuring sufficient means for the Group to easily meet its financials obligations and to consider use of funds in value-added investment opportunities. All of this places INOVEST in good standing in regard to market performance.” Mr. Al Jar closed on a forward-facing note indicating that INOVEST would actively be looking to increase its operating revenues in a sustainable manner, whilst maintaining a balanced view of associated operational expenses. Mr. Al Jar extended his sincere appreciation to the Board of Directors for their continuous support, and to each member of the INOVEST team for their dedication and for their role in achieving such positive annual results.

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.inovent.bh