



PRESS RELEASE

INOVEST Reports US\$ 5.9 Million Net Profit for 2017

- *Net profit down by 42% in comparison to year end 2016*

Manama, Bahrain; March 1st, 2018: INOVEST Group announced its financial results for the year ended December 31st 2017, reporting a 42% decline in consolidated net profit attributable to equity shareholders of US\$ 5.9 million as compared to a net profit of US\$ 10.1 million in 2016. The Net Operating Profit increased by 63%, reaching US\$12.2 million in comparison to US\$7.4 million at the end of 2016. Earnings Per Share attributable to the equity shareholders of the parent company for the year ended 2017 amounted to US cents 2.06 compared to US cents 3.55 for the same time period in 2016.

The Group reported a Net Loss for the last 3 months of 2017 amounted to US\$ 13.1 million compared to a net profit of US\$ 0.9 million for the same period in 2016. Operating Profit for the last 3 months increased by 54% to stand at US\$ 5.6 million in comparison to US\$ 3.6 million for the same time period in 2016. For the last quarter of 2017, INOVEST reported a Loss Per Share attributable to the equity shareholders of the parent company of US cents 4.59 compared to Earnings of 0.32 US cents for the same quarter in 2016.

Looking at its fiscal reports, INOVEST's consolidated operating income at the end of 2017 increased by 45%, reaching US\$23.2 million compared to US\$16 million at the end of 2016. The Group's operating expenses saw a 29% increase, standing at US\$11 million as compared to US\$8.5 million in 2016. Total Assets increased slightly amounting to US\$265.4 million in 2017 in comparison to US\$ 262.9 million in 2016, while Total Liabilities decreased by 7.7% amounting to US\$ 115.2 million in 2017 compared to US\$ 124.7 million in 2016. The Group's Return on Equity stood at 4.8%.

Commenting on the results, INOVEST's newly elected Chairman of the Board of Directors, Dr. Omar Al Mutawa said, "Overall 2017 has been a positive year for INOVEST. The Group saw continued profitability for a second year running; a key target of the Group's three-year strategy (2016-2018). The closing results of 2017 were unfortunately affected during the last quarter of the year by a significant provision of US\$ 15.5 million taken against a case related to an investment entity in Kuwait. The relation and transactions with this particular investment entity and INOVEST were made under the previous Board of Directors. To that end, we have dealt with this issue with all our effort to firstly ensure a prudent close of the matter within the forthcoming year, but more so to ensure such situations do not reoccur. This is in safeguarding and furthering shareholder values and rights in adherence to the highest levels of professional standards."

From his end, CEO, Murad Al Ramadan said, "Despite the challenges we faced in the last quarter of 2017, we are pleased to see the year end on a profitable note, which is a testament to the soundness of our three-year strategy. We are gearing up to continue our profitability in 2018, as well as to sustain delivery and performance within our subsidiaries and associates. The support of our new Board of Directors and the efforts of our team will as always be central to our continued success."

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About INOVEST

Established in 2002 in the Kingdom of Bahrain, INOVEST is a Sharia'a compliant Category 1 investment firm regulated by the Central Bank of Bahrain and publicly listed on both the 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 parent company for Al Khaleej Development Company "Tameer" and Tamcon Contracting Co. For more information, please visit www.inovest.bh