



PRESS RELEASE

INOVEST Announces Investment into Manufacturing Sector

Manama, Bahrain; February 3rd 2020: In line with its recently approved three year strategic plan, in which a central tenant was investment diversification and sourcing of income generating opportunities, INOVEST announced it had acquired a substantial stake in a leading composite industrial manufacturing company based in Kuwait. The company is currently one of the only specialized regional manufacturer of Wood Plastic Composite (WPC) products with a wide range of business to business and business to customer real estate, design, and construction applications.

The investment into this niche industrial manufacturing sector, which is valued at US\$4 billion globally, comes on the back of clear demand drivers in the State of Kuwait and Kingdom of Bahrain from the construction and contracting industries, and is further supported by environmentally friendly government policies which encourage WPC usage over that of wood. To date, the Kuwait-based operations' manufactures both retail and commercial use WPC products such as those used in decking, fencing, and cladding, as well as other interior design and finishing requirements in larger scale construction projects. The company has rapidly built a track record and a solid footprint in the State of Kuwait, and with the investment from INOVEST will target growth and expansion of the business primarily in the State of Kuwait and the Kingdom of Bahrain, and in due course the wider GCC region.

Commenting on the deal, Yasser Al Jar CEO of INOVEST said, "we are very pleased to be signing off on this transaction and including it within our private equity portfolio. It is a clear reflection of INOVEST's diversification strategy in terms of both sector and market exposure. Moreover, it meets our objective of undertaking income generating investment deals." Mr. Al Jar continued saying, "We expect to conclude the acquisition formalities by the first quarter of 2020 and to therein work closely with our partner to realize the company's substantial growth potential. With criteria such as extensive hands on expertise, as well as strong financial backing coming together, we aim to grow and strengthen the advantage of being a first mover and market leader in in the composite manufacturing industry within Bahrain and Kuwait."

INOVEST's Chief Investment Officer, Mr. Talal Al Mulla, noted, "The investment opportunity before us is positioned on strong existing demand for WPC products in a local and regional market with a noted shortage of supply of a proprietary-based formula for a high quality WPC product of this kind." Mr. Al Mulla further stated, "WPC products come with their own impressive list of attributes from being anti-corrosive, flame and water retardant, having longer term resilience, as well as far lower cost of production in comparison to counterpart products. These attributes are key to the growth potential of the WPC market in Bahrain and Kuwait. We are determined to harness this potential, to expand and scale up production within the coming year, to enter new markets, and to diversify the product offering towards ultimately becoming the supplier of choice for WPC products in the MENA region."

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