



PRESS RELEASE

INOVEST Announces Financial Results for the First Half of 2018

Manama, Bahrain; August 6th, 2018: INOVEST announced its financial results for the first half of 2018, reporting a consolidated net profit attributable to parent shareholders of US\$ 10.166 million, representing a 41% decline as compared to US\$ 17.267 million for the same period of last year. The decline is mainly the result of higher recoveries from impaired receivables booked during the first half of 2017 vis a vie the same period of 2018. Accordingly, Earnings Per Share attributable to the equity shareholders of the parent company for the first half of 2018 amounted to US cents 3.59 as compared to US cents 6.06 for the same period in 2017. As a positive and healthy indicator, the consolidated net operating profit increased by 11%, reaching US\$9.824 million during the first half of 2018 in comparison to US\$ 8.886 million for the same period of 2017. Also, the total operating income increased by 9% from US\$ 14.898 million for the six-month period ended 30 June 2018 to US\$13.661 million for the same period of last year. This increase is firstly attributable to the improvement in the rental income from leased investment properties as a result of the major acquisition of BIW Labour Accommodation and secondly to the capital gain resulted from exiting one of the Company's investments, Namely Gulf Real Estate Co. On the other hand, the consolidated operating expenses increased from US\$4.775 million in the first half of 2017 to US\$5.074 million for the same period of 2018, representing an increase of 6%, which is due to the increase in the operating expenses from managing additional investment properties. From financial position perspective, the Equity Attributable to Parent Shareholders, increased by 8% to stand at US\$132.690 million at the end of the first half of 2018 in comparison to US\$122.400 million at 2017 year-end. As of 30 June 2018, INOVEST reported consolidated total assets of US\$268.327 million, representing slight increase by 1% during the first half of 2018 in comparison to US\$265.354 million as of 2017 year-end.

Looking more specifically at INOVEST's quarterly financial results illustrates that for the three months ended 30 June 2018, INOVEST's recorded a consolidated net profit attributable to the parent shareholders of US\$ 7.180 million in comparison to US\$ 9.083 million for the same quarter of last year, representing 21% decrease and, accordingly, the Earnings Per Share attributable to the equity shareholders of the parent company for the second quarter of 2018 amounted to US cents 2.54 as compared to US cents 3.19 for the same period in 2017. The consolidated operating profit for this quarter increased by 8% to reach US\$9.685 million in comparison to US\$8.996 million for the second quarter of 2017. Without any major change, the net operating profit increased slightly from US\$6.844 million for the second quarter ended 30 June 2018 to US\$6.841 million for the same period of last year. On the liquidity front, INOVEST further improved its liquidity position, with cash and bank balances representing 11% of the total consolidated assets. As of June 30th 2018, the cash and bank balances rose by 31% to reach US\$ 28.569 million from US\$21.740 million as of 31 December 2017.

INOVEST's Chairman Dr. Omar Al Mutawa reflected on these results, indicating his pleasure with the advances made during the first half of the year. "INOVEST has taken some great strides towards ensuring that 2018 is a fruitful year for the Group; our success in doing so thus far will be the basis for developing a business direction that ensures sustainability and balance in an otherwise turbulent regional business climate." Dr. Al Mutawa further noted, "For us, as the Board of Directors, it was critical that our accomplishments during this year were attained through specific focus on developing INOVEST's business plans and organizational goals in a defined and accountable manner which safeguard the delivery of appropriate value to all our stakeholders. Accordingly, our aim over this period was to improve our performance and results through the activation of our existing assets and improving their revenues; as well as enhancing operational management through optimization of our resource base, and engagement of our skilled management team with greater efficacy. As for some of the matters which recently plagued INOVEST at an organizational level, we extend assurances that we have dealt with these issues on both administrative and legal fronts towards a prudent close of the matter and more so to ensure that such situations do not reoccur in the future."

INOVEST Acting CEO, Yasser Al Jar, provided his insight on the Group results, having said "At this midpoint in the year, we are proud to be able to sustain quarter on quarter growth in our profitability as well as

• INOVEST.

appropriate returns to our shareholders. We have managed this through the consistent and diligent efforts of the team as a whole, and with the guidance and commitment of the executive management team. We have every faith that our consistent efforts during the coming quarters will continue to produce positive results derived from solid and gradual growth platforms. These expected results are reflection of the commitment we have made to our shareholders. The support of our new Board of Directors will as always be core to our ability to overcome adversity, and to continually deliver the success.”

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