



PRESS RELEASE

INOVEST Announces Financial Results for the Year Ended 31st December 2021

Manama, Bahrain; February 23rd 2021: INOVEST announced its financial results for the year ended 31st December 2021. In the fourth quarter of 2021, showing a consolidated net profit attributable to the parent shareholders of US\$2.41 million in comparison to a net loss of US\$ 182 thousand for the same quarter of last year. Accordingly, there was a dramatic improvement in Earning Per Share for the fourth quarter of 2021, which stood at US cents 0.81 as compared to Loss Per Share of US cents (0.06) for the same period in 2020. The improvements are primarily due to a reversal in provisions associated to a legal matter which was settled in INOVEST's favor. The net operating losses increased by 13% from a loss of US\$ 1.37 million in the last quarter of 2020 to a loss of US\$ 1.54 million for the quarter ended December 31st 2021, attributable to a decline in revenues in the Group's construction and real estate investment sector. As for operating expenses, they saw a 9% decline from US\$ 2.75 million to US\$ 2.50 million. Additionally, the consolidated operating income declined by 31% to reach US\$ 959 thousand in the last quarter of 2021 in comparison to US\$ 1.38 million for the same period last year.

INOVEST's financial results for the year ended December 31st 2021, show a consolidated net profit attributable to parent shareholders of US\$746 thousand, compared to a profit of US\$ 5.03 million for the same period last year, a decline of 85%. The Group accordingly reported that Basic and Diluted Earnings Per Share of the parent company as of December 31st 2021 amounted to US cents 0.25 as compared to Earnings of US cents 1.69 in 2020. This decrease is the outcome of lower operating profits within the Group's construction arm, and real estate investments as well as reversal of impaired provisions for receivables within one of the company's real estate investments to the tune of US\$ 5.77 million in 2020. The consolidated net operating loss increased by 87% to reach US\$ 3.34 million in comparison to a loss of US\$ 1.79 million for the same period in 2020 due in large as aforementioned to a decline in revenues in the Group's construction and the real estate investments as well as a drop in COVID-19 government support associated to pandemic which was available throughout 2020. Operating expenses did see an improvement, dropping by 17% as a result of stringent controls. The total operating income for the year ended December 31st, 2021, stood at US\$ 5.57 million, a 38% decline from the US\$ 8.99 million recorded in 2020.

In regard to the Group's key balance sheet indicators, the equity attributable to parent shareholders stood at US\$ 143.09 million in comparison to US\$ 141.62 million at the end of 2020. Within the same period, INOVEST reported a slight increase in consolidated total assets of US\$ 243.48 million in comparison to US\$ 241.43 million at the end of 2020. On the liquidity front, INOVEST's cash and bank balances stood at 11% of the total consolidated assets. Accordingly, the cash and bank balances stood at US\$ 26.38 million in comparison to US\$ 23.40 million as at year end 2020, representing a 13% increase.

Commenting on these results, INOVEST's Chairman, Mr. Mohammed Hamed Al Shalfan said, "Despite the continuing challenges that the world as a whole has faced in 2021 and the repercussions and associated impact of the Covid pandemic on both societal wellbeing and economy, the group has remained on sound footing, continuing to successfully nourish and focus on its existing investments; restructuring and striving to raise their efficiency and performance in order to expand the group's portfolio of income generating assets and to stand true to our overarching principle of sustainability. Moreover, and true to the directives we disclosed as an incoming Board of Directors, the group was able to cement a key strategic alliance with Sumou Holding Company in the Kingdom of Saudi Arabia. An alliance by which the group has established the markings of clear roadmap towards an exit from a major investment. Adding to this, several positive disclosures and developments have contributed to the overall enhancement of INOVEST's market and shareholder value, and recent trading of the INOVEST shares on both Bahrain Bourse and Boursa Kuwait stand testament to this."

From his end, CEO of INOVEST, Mr. Yasser Al Jar provided additional operational and cross-sectoral insight, "We are extremely pleased that the INOVEST group has been able to continue and maintain its profitability since 2016 to date. Towards supporting and sustaining the group position over the coming three-year cycle, we expect to continue to see growth of revenues within our contracting arm, Tamcon,

INOVEST.

which has secured tenders with a total value of approximately US\$ 70 million. From another angle and coinciding with the announcement of several large residential and housing projects within the Kingdom, our BIW Labour Accommodation project has had noticeable albeit gradual improvements in its occupancy rates, despite an initial negative dent to occupancy as a result of the pandemic in early 2020 – mid 2021. Within the logistics sector, the group is currently assessing its options for expansion within as the sector has proven its resilience throughout the pandemic.” Mr. Al Jar further noted, “The group’s solid and effective operational management as well as systematic and stringent focus on handling legal matters have benefited us greatly in supporting our overall financial position, and in providing a platform for future growth and development.”

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