



PRESS RELEASE

InoVest Maintains Profitability, Reporting Net Profit of US\$8.2 Million in the First Quarter of 2017

Manama, Bahrain; April 26th 2017: The InoVest Group today announced its financial results for the first quarter of 2017, reporting a consolidated net profit attributable to equity shareholders of US\$8.2 million as compared to a net profit of US\$ 3.2 million in the first quarter of 2016.

The Group's first quarter financial results illustrate a continued commitment to maintaining the profitability attained in 2016 and to sustaining growth. An overview of InoVest's key financial results indicate an operating income of US\$4.7 million in comparison to US\$5.1 million in the first quarter of last year; while operating expenses stood at US\$2.6 million in comparison to US\$1.9 million in the first quarter of 2016. Additionally, InoVest reported recoveries from impaired receivables of US\$ 6.1 as a result of settlements with clients. The Group's liquidity position remained strong at US\$ 38.2 million, and shareholders return remained robust with Return on Equity at 6.5% and Return on Assets growing steadily at 3.1%. The Earnings Per Share for the first quarter of 2017 amounted to US cents 2.87 compared to an Earnings Per Share of US cents 1.13 for the same time period in 2016.

Speaking about the noted results, Mr. Khaled Al Sanaousi, Chairman of the InoVest Board of Directors said, "We closed 2016 on an extremely positive note having delivered on our promise to return InoVest to profitability. Doing this fulfilled the primary aim of our three-year strategy. Today, at the end of the first quarter of 2017, we are pleased to begin reaping the results of the secondary stages of our strategic intent, with a clear sustenance of profitability and leeway made into exploring new investment opportunities towards the diversification of our portfolio. On a Group level, we expect to further cement our performance through our construction arm, Tamcon, which continues to deliver upon and be awarded significant high level contracts. As we have begun to do this quarter; this year, we intend to continue to effectively manage our operations, as well as improve performance in our existing investments, and to successfully exit investments that have drawn to a fruitful end."

CEO, Murad Al Ramadan, provided additional insight noting, "Our performance this quarter sets the stage for the year to come; we expect that the strategic initiatives we have set in place for this year will continue to deliver results and ensure we are primed for capturing the investment opportunities we have targeted. Over these months, the management team undertook concerted efforts to achieve recoveries, which lead to the settlement of approximately US\$ 7.2 million of outstanding receivables and the reversal of the respective provisions of US\$ 6.1 million, many of which were previously provisioned for having stood on the company's books for over 10 years. We expect further recoveries throughout this year whilst we will also continue to improve our operating income by enhancing the performance of our existing investment portfolio and that within our construction arm, Tamcon. We are also building a sustainable income generating portfolio which will ensure we are able to endure market fluctuations. This speaks to our continued efforts to maintain a clean and clear financial standing in preparation for harnessing our pipeline of new investment opportunities. Amongst our pipeline of projects are opportunities in the education, healthcare, and F&B and retail



sectors. All this ultimately ties into our strategic intention to diversify our investment portfolio to include new sectors and markets beyond local boundaries. In tandem, we have also worked towards enhancing our brand strategy to fall better in line with our vision for the forthcoming years. By all means, we expect the coming quarters to be productive and prolific ones.

-Ends-

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