

الواحة كابيتال
WAHA CAPITAL

Q2 2018 EARNINGS PRESENTATION

AUGUST 2018



Private Investments

Asset Management

H1 2018 Highlights

- **H1 2018 net profit** of AED 239.7 million compared to AED 183.1 million in H1 2017
- **YTD Return on Average Equity** of 7.2% compared to 5.1% in the corresponding period of 2017
- **Total investments** of AED 110.3 million into Asset management funds
- **Total disposals** of AED 418.5 million (Aercap and NPS Holdings Limited) and dividend from AAH AED 91.7 million
- **Balance sheet** of AED 11.5 billion in total assets, an increase of 1% over total assets of AED 11.4 billion as at Dec 31, 2017



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WAHA CAPITAL

H1 2018

Financial Highlights

H1 2018 Financial Highlights

- Net profit of AED 239.7 million, compared to AED 183.1 million in H1 2017
- EPS of AED 0.13 compared to AED 0.10 in H1 2017
- Assets of AED 11.5 billion as at 30 June 2018 vs. AED 11.3 billion as at 31 December 2017, an increase of 1%
- YTD RoAE of 7.2% vs 5.1% in H1 2017
- Investment activity in H1 2018 include:
 - AAH: Dividend of AED 91.7 million
 - Aercap: Net proceeds on sale of 3.77 million shares AED 173.0 million
 - NPS: Sale proceeds of AED 245.5 million
 - Asset management: Investment of AED 110.3 million (CEEMEA Fixed Income Fund AED 44.1 million and MENA Equity Fund AED 66.2 million)
- Assets under management:
 - Assets under management as at 30 June 2018 AED 2.6 billion, compared to AED 2.1 billion as at 31 December 2017
 - Net third party funds raised AED 168.9m

NET PROFIT

AED 240m

▲ 31% vs. H1 2017

TOTAL ASSETS

AED 11.5bn

▲ 1% from Dec 2017

TOTAL AUM

AED 2.6bn

▲ 24% from Dec 2017

Q2 2018 Financial Highlights

TOTAL INCOME

▲ **8%**

vs. Q2 2017

TOTAL EXPENSES

▼ **8%**

vs. Q2 2017

NET PROFIT

▲ **39%**

vs. Q2 2017

AED MILLIONS	Q2 2018	Q2 2017
Total Income	306	285
Expenses - Parent	(64)	(66)
Expenses - Subsidiaries	(101)	(113)
Non Controlling interest	(9)	(10)
Net Profit attributable to shareholders	132	96
Equity attributable to shareholders	3,309	3,365

KEY PERFORMANCE INDICATORS

Earnings per Share (in AED)	0.07	0.05
3-month RoAE	4.0%	2.9%

H1 2018 Financial Highlights

TOTAL INCOME

▲ **12%**

vs. H1 2017

TOTAL EXPENSES

▼ **8%**

vs. H1 2017

NET PROFIT

▲ **31%**

vs. H1 2017

AED MILLIONS	H1 2018	H1 2017
Total Income	619	551
Expenses - Parent	(117)	(124)
Expenses - Subsidiaries	(204)	(224)
Non Controlling interest	(58)	(20)
Net Profit attributable to shareholders	240	183
Equity attributable to shareholders	3,309	3,365

KEY PERFORMANCE INDICATORS

Earnings per Share (in AED)	0.13	0.10
6-month RoAE	7.2%	5.1%

H1 2018 Financial Highlights

TOTAL ASSETS

AED **11.5**bn

MARKET CAP⁽¹⁾

AED **3.5**bn

DEBT

AED **6.7**bn

CASH

AED **595**mn

AED MILLIONS	30 JUN 2018	31 DEC 2017
Cash	595	520
Investments in equity-accounted investees & Assets held for sale	4,660	5,540
Investment Property	766	759
Other Investments ⁽²⁾	4,869	3,818
Other Assets	593	717
Total Assets	11,483	11,354
Borrowings	6,737	6,584
Other Liabilities	440	600
Equity	4,306	4,170
<i>RoAA (Annualized)</i>	4.2%	4.0%

1. Based on share price as at 6 AUG 2018

2. Include Financial investments, Loan investments and Finance leases



الواعة كابيتال
WAHA CAPITAL

H1 2018

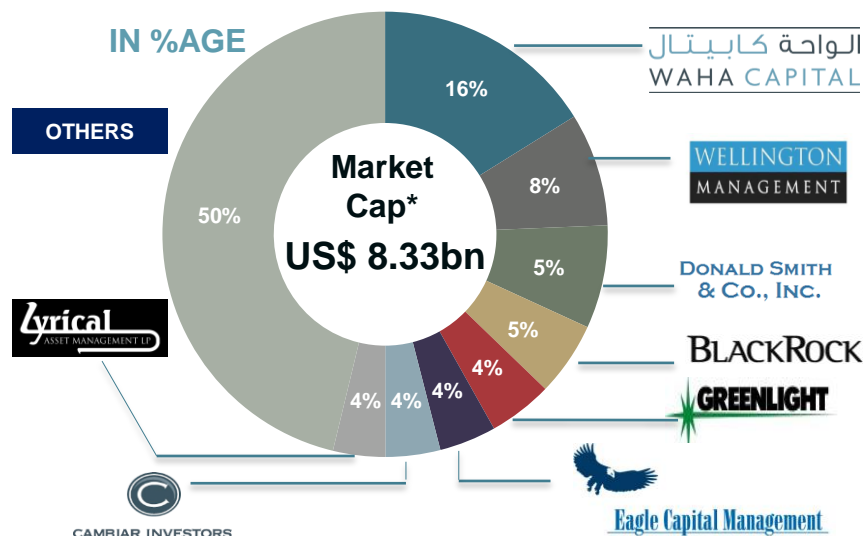
Business Highlights

H1 2018 Business Highlights

Private Investments - AerCap

- Waha disposed 3.77 million shares in Q1 2018, reducing ownership from 17.55% to 15.54%
- Waha is the largest beneficial shareholder in AerCap, retaining 2 board seats and representation on various Board Sub-Committees
- Waha recognized total income of AED 144.2 million from its investment in AerCap which represents 31% of the company's total income and 38% of its total assets, with a carrying value of AED 4.4 billion

SHAREHOLDERS



H1 2018 KEY HIGHLIGHTS

- Net income of \$519.6 million, compared with \$544.1 million for the same period in 2017. Diluted earnings per share of \$3.42, compared with \$3.15 for the same period in 2017.
- 98.9% fleet utilization rate for H1 2018
- Closed on \$2.7 billion of debt financing,
- \$ 11.7 billion of available liquidity
- Adjusted debt/equity ratio of 2.8 to 1
- Book value per share of \$ 59.25 an increase of 12% compared to H1 2017.
- Repurchased 7.8 million shares in H1 2018 for \$ 406 million
- New \$ 200 million share repurchase program authorized, which will run through September 2018
- 204 aircraft transactions executed, as follows:
 - Signed lease agreements for 123 aircraft
 - Purchased 27 aircraft
 - Executed sale transactions for 54 aircraft.
- The average age of owned fleet was 6.6 years and the average remaining contracted lease term was 7.1 years
- Portfolio consisted of 1,471 aircraft that were owned, on order or managed

USD mn	H1 2018	H1 2017	Variance
Total Revenue	2,414	2,501	-3%
Total Expenses	1,823	1,881	-3%
Net Profit	520	544	-4%
Assets	42,019	41,019	2%
Debt	28,546	27,181	5%
Equity	8,724	8,521	2%
RoAE (annualized)	12%	13%	
RoAA (annualized)	2%	3%	

H1 2018 Business Highlights

Private Investments – National Energy Services Reunited

TOTAL ACQUISITION VALUE

\$ 888M

NPS: \$599 million
GES: \$289 million

TOTAL COMBINED REVENUE

\$458 M

FY 2017

TOTAL COMBINED NET PROFIT

\$62 M

FY 2017

OVERVIEW

- Waha acquired a 5.8% stake in a NASDAQ-listed entity - NESR - as part of exit consideration of NPS Holdings Limited.
- NESR is the first and only NASDAQ listed national oilfield services company in the MENA region and one of the largest oilfield services provider in the Middle East, North Africa and Asia region.
- On June 6th 2018, NESR consummated the 100% acquisition of: a) NPS Holdings Limited for a gross consideration of c. \$599 million and b) Gulf Energy S.A.O.C. for a gross consideration of c. \$289 million – aggregating total consideration of c. \$888 million.
- NESR operates in 14 countries, with 19 services lines through 3,200+ employees for 25+ clients
- Customer profile includes Saudi Aramco, Qatar Petroleum, ADCO, ADMA, Sonatrach, Kuwait Oil Company and other National and International Oil Companies
- Market Capitalization of c. US\$ 963 million as of 2nd August 2018
- The Group's carrying value of NESR was AED 188.0 million as at 30 Jun 2018.

NPS HOLDINGS LIMITED

- Regional provider of products and services to the oil and gas industry in the Middle East, North Africa and Asia Pacific regions.
- Operates in twelve countries with the majority of its revenues derived from operations in KSA, Algeria, Qatar, UAE and Iraq.
- NPS provides an integrated service offering that includes: a) Well Services and Intervention, b) Drilling and Workover, and c) Wireline Logging and Testing
- Effectively delivers broad range of services by deploying one of the largest fleet of oilfield equipment, including cementing units, coiled tubing units, stimulation units, nitrogen units and oil and water well drilling rigs.

GULF ENERGY S.A.O.C.

- Leading provider of high quality integrated oilfield service solutions in the MENA region.
- One of the fastest growing oilfield service providers in the MENA region and has developed a footprint in KSA, UAE, Kuwait, Algeria, Iraq, Qatar, and Algeria.
- Provides a broad suite of product and service offerings, operating under several service lines including: a) Well Intervention Services, b) Drilling Technology Solutions, c) Fishing & Remedial Services, and d) Drilling Technology Solutions, Performance Drilling & Evaluation.

H1 2018 Business Highlights

Private Investments – Channel VAS Investments Limited (CVAS)

NET REVENUE

AED 92mn

H1 2018

DIVIDEND

AED 42.3mn

H1 2018

CONFIRMED SUBSCRIBERS

+500mn

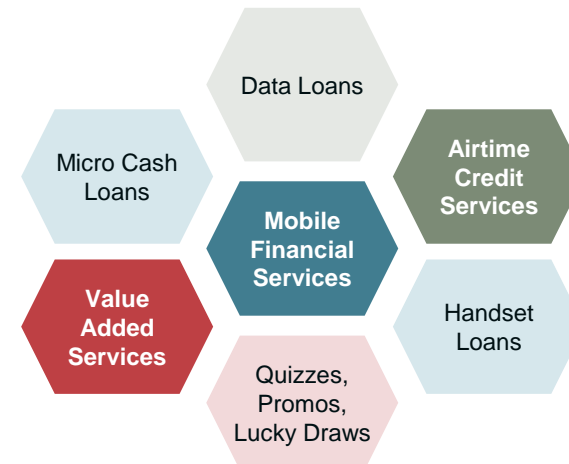
OVERVIEW

- Waha acquired a 19.41% stake in Dubai-based fintech firm CVAS.
- CVAS is a premium fintech provider of financial services for mobile operators in over 25 countries.
- Funded nano-loans aggregating US\$ 871 million in 2017 compared to US\$ 755 million in 2016.
- Access to over 500 million mobile subscribers, who utilize the company's credit scoring and delivery service.
- Well positioned to capture high potential growth in US\$ 69 billion airtime credit industry; as well as a much larger untapped market for newer Channel VAS product lines including micro cash loans and hand set finance loans
- Selected list of customers include MTN, Vodacom, Viettel, Lyca Mobile, Millicom, M-Cel, BSNL, Umniah, Mobily, Mobilink, etc.
- The carrying value of Channel VAS was AED 187.8 million as at 30 June 2018

H1 2018 KEY HIGHLIGHTS

- Revenue of AED 91.9 million, compared to AED 82.6 million in the corresponding period 2017; and
- Paid a dividend of AED 42.3 million, compared to AED 29.7 million in the corresponding period 2017.

SERVICES OFFERING



H1 2018 Business Highlights

Private Investments – SDX Energy Inc.

MARKET CAP

USD **143mn**

As at 6th of Aug 2018

REVENUE (FY 2017)

▲ **203%**

vs FY 2016

TOTAL ASSETS (DEC 2017)

▲ **239%**

vs FY 2016

OVERVIEW

- Engaged in the exploration for and development and production of oil and natural gas, with properties located in the Arab Republic of Egypt and the Kingdom of Morocco.
- Trade on the Toronto Venture Stock Exchange (“TSX-V”) in Canada and on the London Stock Exchange’s Alternative Investment Market (“AIM”) in the UK
- Successfully acquired a portfolio of oil and gas production and exploration assets in Egypt and Morocco for a cash sum of \$30 million which increased the net production to c. 3,351 boe/d and working interest 2P reserves to 9.03 million boe.
- Portfolio contains interests in 6 concessions – a) Egypt – NW Gemsa, b) Egypt – Meseda, c) Egypt – South Disouq, d) Egypt – South Ramadan, e) Morocco – Sebou, and f) Morocco – Lalla Mimouna. .
- Waha owns 19.5% stake with carrying value of AED 114.3 million as at 30 June 2018

YE 2017 KEY HIGHLIGHTS

- Production of 3,327 boe/d compared to 1,196 boe/d in 2016; and
- Net realized average oil price of \$46.7/barrel compared to US\$ 31.51/barrel in 2016.
- SDX achieved a 78% success rate on its recently completed drilling program in Morocco adding additional near-term production
- Three out of four exploration wells have been successful on the South Disouq concession in Egypt, paving the way for a c.100 bcf field development with late 2018 targeted for first production
- Ongoing infill drilling in Egypt has begun to yield positive results
- Discoveries on the Lallana Mimouna concession have confirmed the presence of hydrocarbons and opened the way for further exploration potential

AED mn	FY 2017	FY 2016	Variance
Revenue	144.1	47.5	203%
Gross Profit	106.3	28.1	278%
Net Profit	104.0*	(102.8)	NM
Cash	94.9	17.3	449%
Total Assets	517.7	152.7	239%
Equity	420.7	136.8	208%

* Includes a gain on acquisition of Circle Oil transaction, amounting AED 109 million

H1 2018 Business Highlights

Private Investments – Dunia Finance

NET INTEREST INCOME

▼ 4%

vs. H1 2017

DEPOSITS

▼ 3%

vs H1 2017

NET LOAN BOOK

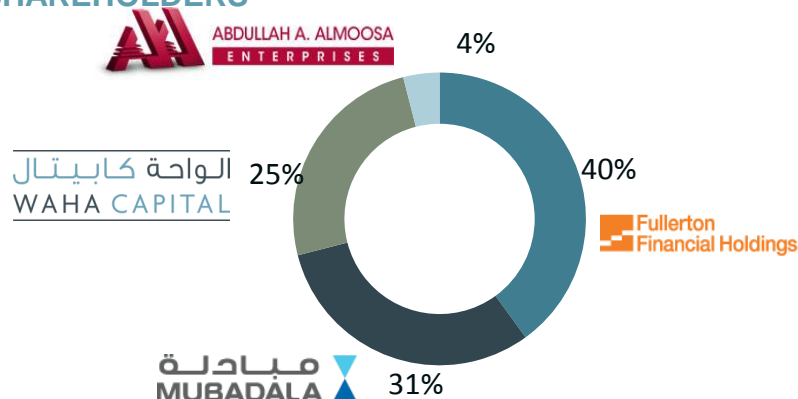
▼ 4%

vs. H1 2017

OVERVIEW

- Abu Dhabi-based consumer finance company established in 2008 with initial paid up capital of AED 585 million
- Operates 19 branches, has more than 2,000 employees and serves c. 308,000+ customers
- Loan book grew at a 29.8% CAGR over the 2009– Q2 2018
- Carrying value of AED 47.4 million as at 30 June 2018

SHAREHOLDERS



H1 2018 KEY HIGHLIGHTS ⁽¹⁾

- Customer deposits at AED 1.24 billion as at 30 June 2018, compared to AED 1.28 billion 30 June 2017, comprising a mix of deposits pledged for the issue of guarantees, interbank sources, regular time deposits and deposits without pre-termination ability
- Non-performing loan cover was maintained at similar levels of 1.0x on 30 June 2018, compared to 1.0x as of 30 June 2017
- Liquidity position comprised bank facilities of AED 415 million and bank placements & cash equivalents of AED 207 million.

AED mn	H1 2018	H1 2017	Variance
Net Interest Income	244	255	-4%
Net Loan Book	1,807	1,878	-4%
Total Assets	2,092	2,204	-5%
Deposits	1,244	1,276	-3%

1. Figures represent the combined results of Dunia Finance LLC and Dunia Services FZ LLC; both have a common ownership structure

H1 2018 Business Highlights

Private Investments – Waha Land

NET REVENUE

▼ **15%**

vs. H1 2017

NET PROFIT

▼ **57%**

vs. H1 2017

FUNDING SECURED

AED 426mn

for stage 2

OVERVIEW

- Waha Capital received 6 km² of land grant from the Government of Abu Dhabi in 2007 for a mixed use industrial development
- The project was divided into four equal phases (1.5 km² each) to allow for flexibility in terms of scale and funding
- Construction of Phase I infrastructure and 90,000 m² of leasable industrial space was completed in Dec 2012
- Leasing activity commenced in Q1 2013; achieved full occupancy by the end of Q1 2015 for Small Industrial Units (SIUs)
- Completed the development of additional SIUs (Stage 2a; 92,500 sqm); approval received and leasing commenced
- The carrying value of investment property was AED 766.4 million as at 30 June 2018.

H1 2018 KEY HIGHLIGHTS

- The construction of Stage 2a is completed (92,500 m² of SIUs), with initial batch of tenants starting to commence their operations from the units
- Secured AED 426 million of funding for Stage 2 with a local bank
- Rental revenue and other income of AED 16.4 million (30 June 2017: AED 19.4 million);
- Cumulative development cost of AED 184.0 million (31 December 2017: AED 176.3 million) incurred for the construction of Stage 2A.

H1 2018 Business Highlights

Private Investments – Anglo Arabian Healthcare

TOTAL REVENUE

▼ **15%**

Vs. H1 2017

TOTAL ASSETS

▼ **16%**

vs. H1 2017

EQUITY

In line

vs. H1 2017

OVERVIEW

- UAE healthcare company, with an initial focus on hospitals, clinics, diagnostics, laboratories and pharmacies
- 29 healthcare assets in the Northern Emirates, Abu Dhabi and Dubai
 - Network of 19 clinics, 6 pharmacies, 1 diagnostics center and 1 medical education provider.
 - 1 multi-specialty hospital opened in 2015 in Ajman, with an inpatient capacity of 23,400 per annum
- During 2017, AAH has completed the sale of its full equity stake in Proficiency Healthcare Diagnostics (PHD) to Al Borg Medical Laboratories, the GCC's largest chain of private laboratories. The transaction involved an equity sale price of approximately AED 171.1 million for 93% of PHD, with the net impact on AAH being an accounting gain of approximately AED 124.5 million
- AAH employs more than 1,000 people and serves over 540,000 registered outpatients.
- Carrying value of AED 231.1 million as of 30 June 2018

H1 2018 KEY HIGHLIGHTS

- HealthBay added a dental clinic in H1 2018, complementing its multispecialty medical complex in Dubai, offering a wide range of specialized healthcare facilities
- Amina Hospital, a multi-specialty hospital in Ajman, witnessed growth of 30% - reaching revenue of AED 35.9m during H1 2018
- Consolidated revenue of AED 129.4 million, a 15% decrease on AED 152.1 million in the corresponding period in 2017 – which is mainly due to disposal of PHD
- Revenue is comprised of:
 - AED 27.9 million (2017: AED 61.2 million) from laboratory services,
 - AED 81.4 million (2017: AED 72.7 million) from patient fees
 - AED 20.1 million (2017: AED 18.2 million) from sale of pharmaceuticals

H1 2018 Business Highlights

Asset Management – Funds

CEEMEA FIXED INCOME RETURN

▲ **4.9%** H1 2018

▲ **134.5%** Since inception
Jan 2012

MENA EQUITY RETURN

▲ **13.8%** H1 2018

▲ **130.3%** Since inception
Jan 2014

MENA VALUE RETURN

▲ **6.4%** H1 2018

▲ **34.7%** Since inception
Jan 2014

CEEMEA FIXED INCOME FUND

- The fund focuses on investing in:
 - Capital market securities (bonds, sukuk and convertibles)
 - US Dollar denominated sovereign and corporate bonds
- Initial seed capital of AED 368 million (\$100m)
- In June 2015 the fund was first offered to third-party institutional, family office and high-net-worth investors
- The CEEMEA Fixed Income Fund won the “Best Fixed Income Fund Manager UAE 2016” from the Global Banking & Finance review and was ranked #1 fund in the Emerging Markets Eastern Europe by Barclay-Hedge
- Returns reflect identification of thematic trades as well as individual mispriced securities and successful risk management
- Focus on relative value of securities resulting in low volatility of returns

MENA EQUITY FUND

- The fund focuses on investing in equity securities in the large MENA region
- Initial seed capital of AED 368 million (\$100m)
- In July 2015 the fund was first offered to third-party institutional, family office and high-net-worth investors
- The MENA Equity Fund in the past has received several awards including the “Best GCC Equity Fund” at the Banker Middle East Awards and was awarded the “Best MENA Equity Fund > \$50m” at the recent MENA Fund Performance Awards.
- YTD returns reflect careful stock selection and avoidance of market sell offs
- Focus on bottom up stock selection and maintenance of healthy cash balance in case of an adverse tail risk event

MENA VALUE FUND

- Initial seed capital of AED 184 million (\$50 million) deployed
- Focuses on long-term capital appreciation by investing in equities and other securities in MENA.
- Investment criteria considers business quality and sustainability, effective capital allocation, balance sheet strength, management quality and valuation upside/limited downside risk of the underlying stock

Summary & Outlook

- Streamlined organization aligned with its two core activities – Private Investments and Asset Management

- Diversified asset base and revenue streams between Private Investments and Asset Management :
 - Private Investments delivers on value creation and cash realization; with strategic emphasis on certain sectors

 - Asset Management business continues to deliver strong returns, outperforming benchmarks; with strategic emphasis on raising 3rd party AUMs and fee income

- Strongly embedded and integrated risk management and corporate governance

- Robust financial position with strong level of liquidity and prudent leverage – well positioned for steady and long term growth

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