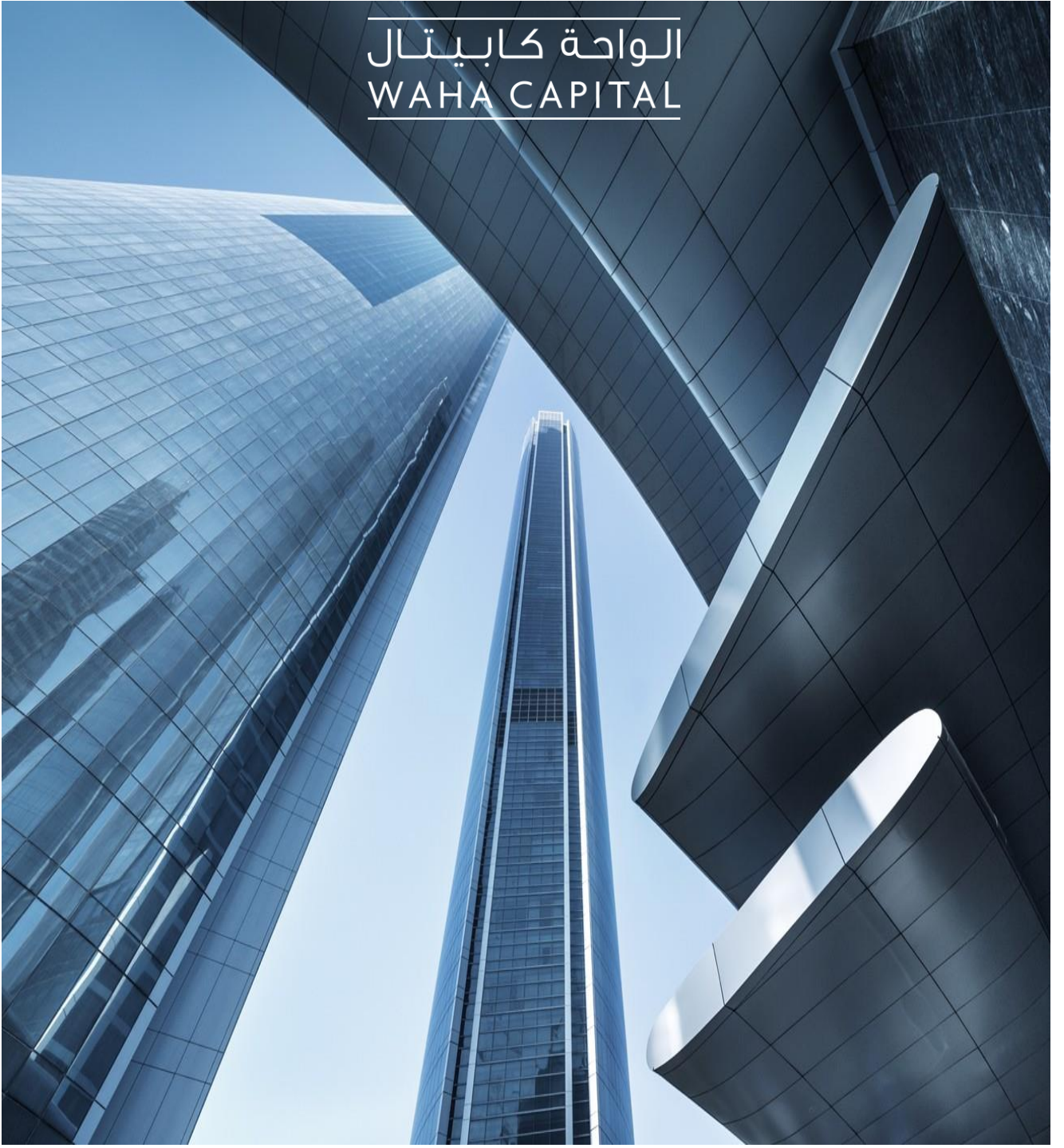


الواحة كابيتال  
WAHA CAPITAL



## Management discussion and analysis for the period ended 31 March 2022

Al Waha Capital PJSC (“the Company”) and its subsidiaries (together referred to as “the Group”) reported net profit attributable to Owners of the Company of AED 146.6 million for the period ended 31 March 2022 compared to AED 110.6 million for the corresponding period of 2021.

#### KEY ACTIVITIES DURING THE PERIOD

During the period, the Group deployed AED 330.8 million into the Global Opportunities portfolio.

Total assets under management reached AED 4.5 billion (USD 1.2 billion) as at 31 March 2022 compared to AED 4.4 billion (USD 1.2 billion) as at 31 December 2021, an increase of 3%. The assets under management attributable to Owners of the Company were AED 2.9 billion as at 31 March 2022 compared to AED 2.9 billion as at 31 December 2021. The funds’ period to date net returns were: Waha CEEMEA Credit Fund SP of -1.1%, Waha MENA Equity Fund SP of 8.2%, Waha Islamic Income Fund SP of -0.3% and Waha EM Equity fund SP of 0.6%.

#### KEY FINANCIAL HIGHLIGHTS

##### Summary income statement for the period ended 31 March AED ‘000

	2022	2021
Revenue from sale of goods and services	71,065	77,949
Share of profit/(loss) from equity-accounted associates and joint ventures, net	2,683	(5,671)
Income from financial investments, net	257,668	223,788
Income from investment property, net	12,142	11,670
Other income, net	1,307	1,508
<b>Total income</b>	<b>344,865</b>	<b>309,244</b>
Cost of sale of goods and services	(60,514)	(59,288)
General and administrative expenses - company	(34,823)	(41,459)
General and administrative expenses - subsidiaries	(21,736)	(23,874)
Finance cost, net	(27,703)	(22,128)
<b>Total expenses</b>	<b>(144,776)</b>	<b>(146,749)</b>
<b>Profit for the period</b>	<b>200,089</b>	<b>162,495</b>
Non-controlling interests	(53,465)	(51,914)
<b>Profit attributable to owners of the Company</b>	<b>146,624</b>	<b>110,581</b>
<b>Basic and diluted earnings per share (AED)</b>	<b>0.078</b>	<b>0.060</b>

### Total income

#### Three-month period ended 31 March 2022

Total income of AED 344.9 million for the three-month period ended 31 March 2022, compared to AED 309.2 million for the corresponding period of 2021, was driven by the following:

- Public Markets income of AED 223.7 million compared AED 209.9 million in 2021;
- Private Investments income of AED 108.6 million compared to AED 87.2 million in 2021 mainly due to mark to market movements on the financial investments; and
- Waha Land income of AED 12.6 million compared to AED 12.1 million in 2021.

### Total expenses

#### Three-month period ended 31 March 2022

**Total expenses** for the three-month period ended 31 March 2022 was AED 144.8 million, compared to AED 146.7 million in 2021, mainly comprised of:

- General and administrative expenses - company, amounting to AED 34.8 million compared to AED 41.5 million for the corresponding period of 2021, a decrease of AED 6.7 million, mainly due to lower staff related expenses;
- General and administrative expenses – subsidiaries, amounting to AED 21.7 million compared to AED 23.9 million for the corresponding period of 2021, a decrease of AED 2.2 million, mainly due to lower provision for credit losses;
- Finance costs, net - company, amounting to AED 15.1 million, compared to AED 9.8 million in the corresponding period of 2021 due to higher utilisation of Revolving Credit Facility and increase in interest rates; and
- Finance costs, net - subsidiaries, amounting to AED 12.6 million, compared to AED 12.3 million in the corresponding period of 2021, an increase of AED 0.3 million.

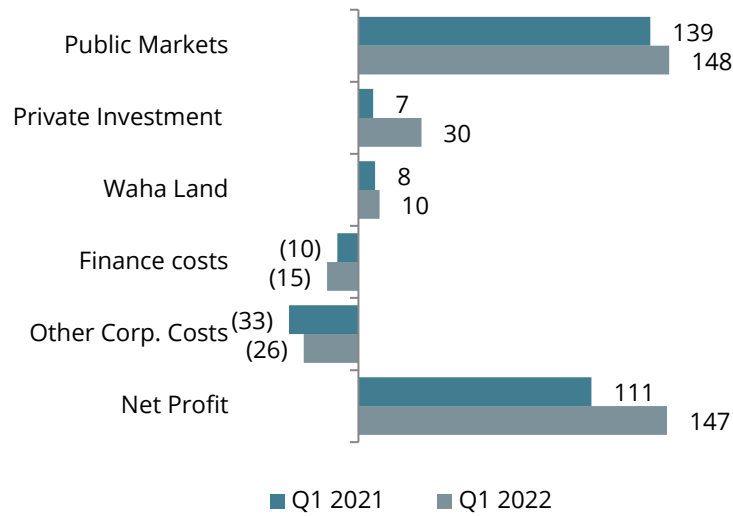
### Net profit attributable to owners of the Company

#### Three-month period ended 31 March 2022

Net profit of AED 146.6 million for the three-month period ended 31 March 2021, compared to AED 110.6 million for the corresponding period of 2021, was mainly driven by the following:

- Public Markets profit of AED 147.5 million compared to AED 139.4 million in 2021;
- Private Investments profit of AED 29.7 million compared to AED 6.9 million in 2021; and
- Waha Land profit of AED 10.1 million compared to AED 8.0 million in 2021.

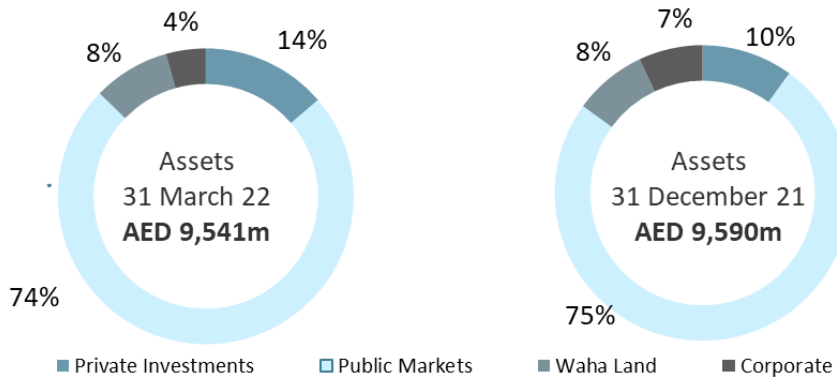
Net profit by segment (AED million)



Balance sheet highlights

AED '000	As at 31-Mar-22	As at 31-Dec-21
Investments in equity accounted associates and joint ventures	170,034	170,242
Right-of-use assets	111,115	99,649
Investment property	711,637	711,422
Financial investments	6,344,064	6,414,024
Loan investments	36,948	-
Other assets	901,390	772,879
Cash and bank balances	1,265,574	1,421,350
<b>Total assets</b>	<b>9,540,762</b>	<b>9,589,566</b>
Borrowings	3,666,687	4,117,198
End of service benefit provision	27,299	26,288
Derivative liabilities	72,107	100,626
Lease liabilities	132,553	119,918
Trade and other liabilities	725,539	434,146
<b>Total liabilities</b>	<b>4,624,185</b>	<b>4,798,176</b>
<b>Total equity</b>	<b>4,916,577</b>	<b>4,791,390</b>
<b>Total liabilities and equity</b>	<b>9,540,762</b>	<b>9,589,566</b>

## Total assets composition (AED million)



The Group's total assets of AED 9,540.8 million as at 31 March 2022, compared to AED 9,589.6 million as at 31 December 2021, a decrease of 0.5% and mainly comprised of:

- Investments in equity accounted associates and joint ventures of AED 170.0 million compared to AED 170.2 million in 2021, a decrease of AED 0.2 million, mainly due to share of profit of AED 2.7 million offset by dividends received of AED 2.9 million.
- Financial investments of AED 6,344.1 million compared to AED 6,414.0 million for the corresponding period of 2021, a decrease of AED 69.9 million, mainly due to net decrease of AED 387.7 million in public market funds offset by net increase of AED 317.8 million from private investments. The movement in Private investments comprises investment of AED 294.7 million in unquoted funds and net mark to market gain of AED 34.0 million.
- Cash and bank balances of AED 1,265.6 million compared to AED 1,421.4 million in 2021, a decrease of AED 155.8 million; mainly includes the following cash flows:
  - Corporate: Redemption of Public Market units worth AED 172.9 million;
  - Public Markets: Net disposal of AED 582.1 million and contributions from non-controlling interest holders of AED 63.9 million, offset by decrease in repurchase liabilities of AED 442.8 million; and
  - Private Investments: Investment in unquoted funds and loan investment AED 330.8 million.

The Group's total liabilities of AED 4,624.2 million as at 31 March 2022 compared to AED 4,798.2 million as at 31 December 2021, a decrease of AED 174.0 million, comprised of:

- Borrowings of AED 3,666.7 million compared to AED 4,117.2 million as at 31 December 2021, a decrease of AED 450.5 million; mainly represents decrease in repurchase liabilities related to public market funds of AED 442.8 million.
- Trade and other liabilities of AED 725.5 million compared to AED 434.1 million as at 31 December 2021, an increase of AED 291.4 million; mainly represents increase in payables of public market funds due to brokers on settlement of trades and dividend payable.

## BUSINESS AND PORTFOLIO COMPANIES ANALYSIS

The Group's business comprises three primary divisions: Public Markets, Private Investments and Waha Land.

### Public Markets

The Public Markets division have focused on applying rigorous analysis to emerging markets in order to deliver quality returns over the market cycle on behalf of the Group and external investors. All the funds within the Public Market's management continue to generate strong performances in Q1 2022, despite the challenging macro global markets conditions impacting markets around the region.

Over the last 10 years, two flagship funds have been established: the Waha CEEMEA Credit Fund and the Waha MENA Equity Fund. Time, and initial seed capital of AED 368m (US\$100m) in each, has been invested to build the team, infrastructure and track record before looking to raise third party capital.

The Waha Islamic Income Fund SP with seed capital of AED 92 million was launched in Q3 2020 to invest in Sharia compliant assets across the Sukuk and equity markets.

The Waha EM Equity Fund was launched in Q4 2021 with a seed capital of AED 92 million. The objective of the fund is to invest in equity and equity related securities in emerging markets.

The key strategic focus of the division is to continue to actively manage client assets, while generating market leading performance and attracting third party institutional and high net worth investors.

The funds' period to date returns on invested capital were:

- Waha CEEMEA Credit Fund SP of -1.1% on a fund size of AED 1.88bn (US\$ 510.7 million);
- Waha MENA Equity Fund SP of 8.2% on a fund size of AED 2.43bn (US\$ 659.7 million);
- Waha Islamic Income Fund SP of -0.3% on a fund size of AED 0.13bn (US\$ 36.5 million); and
- Waha EM Equity Fund SP of 0.6% on a fund size of AED 0.10bn (US\$ 26.4 million).

### Private Investments

The Private Investments business activated its new multi-asset investment strategy and commenced the full portfolio and team rebuild process in the last quarter of 2021. This included the launch of two new investment portfolios – Global Opportunities and Core.

The Global Opportunities portfolio has a broad and flexible investment mandate enabling Waha Capital to invest across geographies, industries, capital structures and asset classes, in an opportunistic manner. This diversified portfolio, which was launched in November 2021, targets investments in the alternatives space with high risk-adjusted returns. During Q1 2022, four new investments were made into this portfolio totalling AED 331 million. Net Carrying value of the Global opportunities portfolio as at 31 March 2022 was AED 459 million.

The Core portfolio will seek to take controlling or significant minority stakes in businesses in the MENA region with established track records, strong management teams and robust governance frameworks. Such companies would typically demonstrate stable capital growth prospects, whilst providing recurrent and reliable cash yields. The Core portfolio was seeded with the Company's healthcare platform as its anchor asset. Net Carrying value of the Core portfolio as at 31 March 2022 was AED 122 million.

The Legacy portfolio within Private Investments is comprised of existing assets that do not fit within the Global Opportunities or Core portfolio mandates. A review of strategic alternatives was conducted for each asset within this portfolio to develop and implement a plan that will maximize shareholder value. As part of that review, the Company has divested its tactical holdings in the Waha U.S. Securities portfolio. Net Carrying value of the legacy portfolio as at 31 March 2022 was AED 522 million.

## Waha Land

Waha Land, a wholly owned subsidiary of Waha Capital, is developing "ALMARKAZ", an integrated industrial development with Grade "A" industrial/logistics facilities and first class infrastructure. The development is located in Al Dhafra, approximately 15 minutes from Mussafah, Abu Dhabi, and is well located to access the multi-modal industrial and logistics infrastructure (land, sea, air, and rail) of the UAE. The development is on a 6 km<sup>2</sup> land, granted by the Government of Abu Dhabi.

The development is envisioned to be completed in four phases with multiple stages in each phase. Phase 1, which comprises of 25% of the total land area (1.5 km<sup>2</sup>), will be completed in three Stages. In Stage 1 and Stage 2A, circa 180,000 m<sup>2</sup> of multi-use industrial/logistics units were completed along with the associated infrastructure like roads, utilities and telecom. The existing units are fully leased out, home to more than 85 tenants, both local and international entities, from diverse industry segments such as Oil & Gas, Manufacturing, Defence, Logistics, IT, Contracting and F&B.

An expansion, "Stage 2B", is currently under construction, which will add circa 75,000 m<sup>2</sup> of premium industrial/logistics facilities, with an expected close by Q3 2023. This expansion is in line with the Waha Land's underlying ethos to execute a consistent, disciplined investment approach with emphasis on institutional quality assets flexible to suit a variety of uses and support a diverse range of tenants from different industry segments. Waha Land's growth strategy is focused on continuing to grow the leasable portfolio, developing new products and services for the UAE's Industrial/Logistics market, in line with dynamically evolving regional and global market dynamics.

During the period ended 31 March 2022, Waha Land reported total income of AED 12.6 million (2021: AED 12.1 million).

The carrying value of investment property was AED 711.6 million as at 31 March 2022.

## OUTLOOK

As the company pivots its strategy towards growth, its focus remains on generating superior investment returns for both its shareholders and clients. The first quarter represents a strong start to 2022, despite the geopolitical and macroeconomic challenges that are impacting market conditions. As the company invested across its businesses in 2021, it has further strengthened its strong foundations for growth across both regional and international markets. The continued marketing efforts of our investment capabilities builds towards our goal of attracting additional third party investors to the company, building on the strong governance framework put in place over the last two years. While we expect market conditions to continue to be uncertain and volatile as a result, Waha Capital is well prepared to weather these challenges using its active investment approach and broad capabilities.

The outlook is positive, as it continues to enhance and develop its investment platform, across all three business divisions. The Public Markets division is focused on extending its strong track record of investment outperformance, with the Business Development team working to promote the platform and attract additional capital from new and existing investors. The Private Investments team continues to deploy assets into their flagship Global Opportunities strategy, which has already seen positive profit growth in the first quarter, as they continue to drive value for the Core and legacy portfolios alongside it. Waha Land continues to represent best in class, industrial real estate; as reflected by their high occupancy rates. Underpinning this growth is our unrelenting focus on maintaining strong corporate governance, protecting shareholders' and clients' assets, growing the asset base, and achieving economies of scale across our balance sheet.



**Ahmed Khalifa Al Mehairi**

Chief Executive Officer, Al Waha Capital PJSC  
10 May 2022