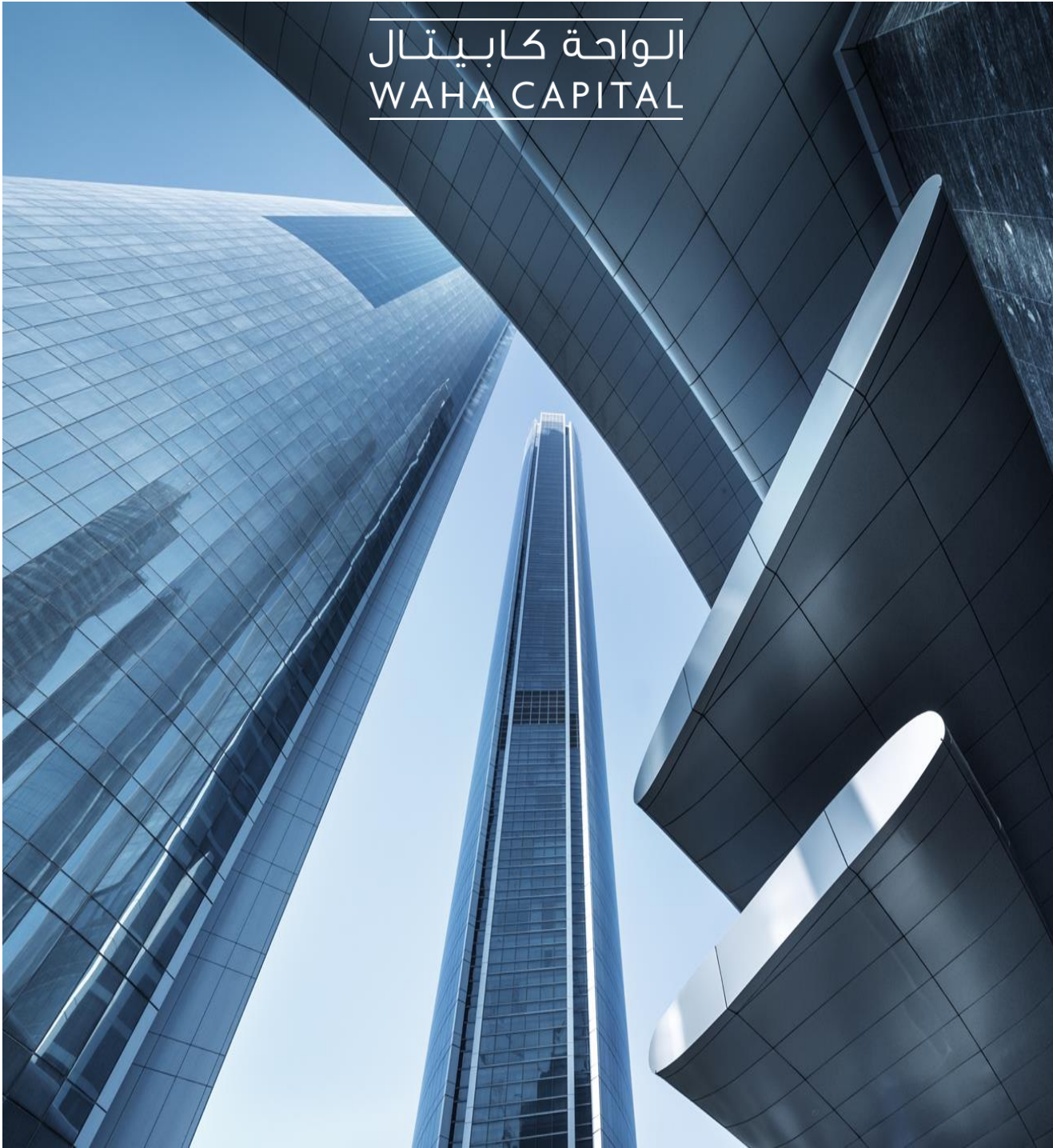


الواحة كابيتال
WAHA CAPITAL



Management discussion and analysis for the period ended 31 March 2021

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 110.6 million for the three-month period ended 31 March 2021 compared to net loss of AED (294.5) million for the corresponding period of 2020.

KEY ACTIVITIES DURING THE PERIOD

Total assets under management was AED 3.6 billion as at 31 March 2021 compared to AED 3.4 billion as at 31 December 2020, an increase of 6%. The assets under management attributable to Owners of the Company were AED 2.4 billion as at 31 March 2021 compared to AED 2.3 billion as at 31 December 2020. The funds' period to date net returns were; Waha CEEMEA Credit Fund SP of 4.1%, Waha MENA Equity Fund SP of 5.5% and Waha Islamic Income Fund SP of 1.6%.

KEY FINANCIAL HIGHLIGHTS

Summary income statement for the three month period ended 31 March AED `000

	2021	2020
Revenue from sale of goods and services	77,949	74,271
Share of loss from equity-accounted associates and joint ventures, net	(5,671)	(278)
Income/(loss) from financial investments	223,788	(446,893)
Gain on settlement of loan investments	-	11,244
Income from investment property, net	11,670	9,193
Other income, net	1,508	2,544
Total income / (loss)	309,244	(349,919)
Cost of sale of goods and services	(59,288)	(58,137)
General and administrative expenses - company	(41,459)	(24,542)
General and administrative expenses - subsidiaries	(23,874)	(21,269)
Finance cost, net	(22,128)	(27,600)
Total expenses	(146,749)	(131,548)
Profit / (loss) for the period	162,495	(481,467)
Non-controlling interests	(51,914)	187,013
Profit / (loss) attributable to owners of the Company	110,581	(294,454)
Basic and diluted earnings / (loss) per share (AED)	0.06	(0.16)

Total income / (loss): total income of AED 309.2 million for the three-month period ended 31 March 2021, compared to a loss of AED (349.9) million for the corresponding period of 2020, was driven by the following:

- Asset Management – Capital Markets income of AED 209.9 million compared to a loss of AED (462.8) million in 2020 driven by market recoveries post pandemic COVID-19 which had significant impact on the market in Q1 2020.
- Private Investments income of AED 99.4 million compared to AED 112.9 million in 2020 mainly reflecting
 - Lower income from equity accounted investment by AED 5.4 million; and
 - Gain on settlement of loan investment of AED nil (Q1 2020: AED 11.2 million).

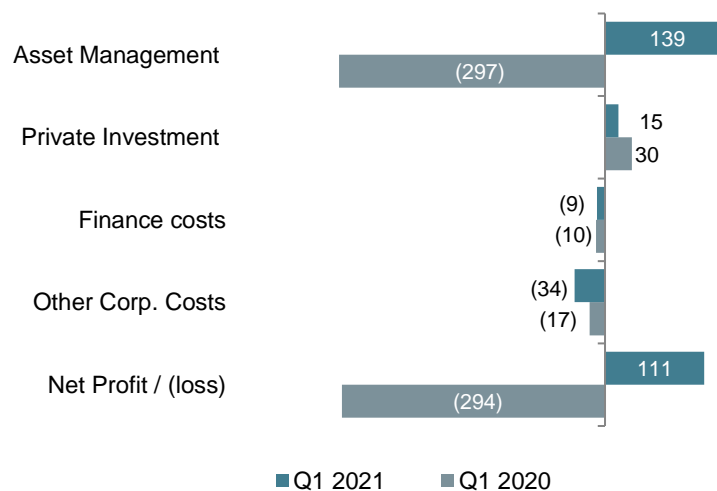
Total expenses for the three-month period ended 31 March 2021 was AED 146.7 million, compared to AED 131.5 million in 2020, mainly comprised of:

- General and administrative expenses - company, amounting to AED 41.5 million compared to AED 24.5 million for the corresponding period of 2020, an increase of AED 17.0 million, mainly due to higher staff related expenses;
- General and administrative expenses – subsidiaries, amounting to AED 23.9 million compared to AED 21.3 million for the corresponding period of 2020, an increase of AED 2.6 million;
- Finance costs, net - company, amounting to AED 9.8 million, compared to AED 9.9 million in the corresponding period of 2020; and
- Finance costs, net - subsidiaries, amounting to AED 12.3 million, compared to AED 17.7 million in the corresponding period of 2020, a decrease of AED 5.4 million, mainly due to lower utilisation of repurchase liabilities for public market funds.

Net Profit / (loss) attributable to owners of the Company: Net profit of AED 110.6 million for the three-month period ended 31 March 2021, compared to a net loss of AED (294.5) million for the corresponding period of 2020, was mainly driven by the following:

- Asset Management – Capital Markets gain of AED 139.4 million compared to loss of AED (297.2) million in 2020; and
- Private Investments profit of AED 14.9 million compared to AED 30.3 million in 2020.

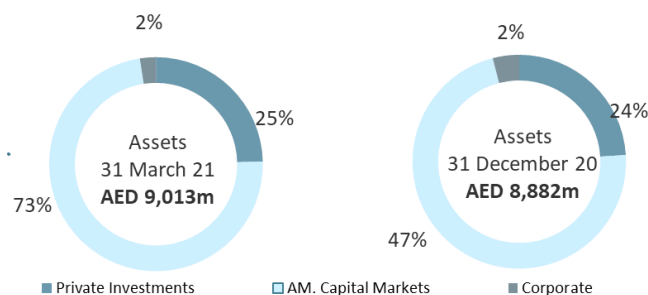
Net profit / (loss) by segment (AED in million)



Balance sheet highlights

AED `000	As at 31-Mar-21	As at 31-Dec-20
Investments in equity accounted associates and joint ventures	463,439	472,076
Right-of-use assets	110,792	113,550
Investment property	716,534	715,989
Financial investments	6,388,430	6,163,043
Loan investments	37,647	45,003
Other assets	699,148	667,468
Cash and bank balances	597,322	704,684
Total assets	9,013,312	8,881,813
Borrowings	4,070,941	4,211,842
End of service benefit provision	26,161	26,058
Derivative liabilities	33,589	29,907
Lease liabilities	125,949	126,383
Trade and other liabilities	527,434	338,028
Total liabilities	4,784,074	4,732,218
Total equity	4,229,238	4,149,595
Total liabilities and equity	9,013,312	8,881,813

Total assets composition (AED in million)



The Group's total assets of AED 9,013.3 million as at 31 March 2021, compared to AED 8,881.8 million as at 31 December 2020, an increase of 1%, comprised of:

- Investments in equity accounted associates and joint ventures of AED 463.4 million compared to AED 472.1 million for the corresponding period of 2020, a decrease of AED 8.7 million; due to share of loss of AED 5.7 million and dividends received of AED 2.9 million.
- Financial investments of AED 6,388.4 million compared to AED 6,163.0 million for the corresponding period of 2020, an increase of AED 225.4 million, mainly due to an increase of AED 80.3 million in public market funds and AED 136.3 million in private investments equity securities portfolio.
- Cash and bank balances of AED 597.3 million compared to AED 704.7 million in 2020, a decrease of AED 107.4 million; mainly includes the following cash flows:
 - Corporate: net drawdown of revolving corporate facility of AED 73.6 million offset by dividends paid AED 110.3 million;
 - Capital Markets: net disposal of AED 136.5 million and contributions from non-controlling interest holders of AED 27.5 million offset by decrease in repurchase liabilities of AED 203.7 million; and
 - Private Investments: Investment in equity securities AED 134.4 million.

The Group's total liabilities of AED 4,784.1 million as at 31 March 2021 compared to AED 4,732.2 million as at 31 December 2020, an increase of AED 51.9 million, comprised of:

- Borrowings of AED 4,070.9 million compared to AED 4,211.8 million in 31 December 2020, a decrease of AED 140.9 million; mainly represents decrease in repurchase liabilities related to public market funds of AED 203.7 million; offset by net drawdown of revolving corporate facility of AED 73.6 million.

BUSINESS AND PORTFOLIO COMPANIES ANALYSIS

The Group's business comprises two primary divisions: Asset Management and Private Investments.

The Private Investments division comprises the Group's investments. The Asset Management division comprises the Group's Capital Markets business.

Asset Management – Capital Markets

The Capital Markets division have focused on applying rigorous analysis to niche markets in order to deliver quality returns over the market cycle on behalf of the Group and external investors. Despite continuing market volatility from the start of the year, both of Waha Capital's flagship funds produced solid returns

Over the last 9 years, two flagship funds have been developed: the Waha CEEMEA Credit Fund and the Waha MENA Equity Fund. Time and capital AED 368m (US\$100m) seed in each, has been invested to build the team, infrastructure and track record (5 years+) before looking to raise third party capital. New fund "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 funds' period to date net returns on invested capital at the beginning of the period were:

- Waha CEEMEA Credit Fund SP of 4.1% on a fund size of AED 1.79bn (US\$ 486.5 million);
- Waha MENA Equity Fund SP of 5.5% on a fund size of AED 1.71bn (US\$ 464.1 million); and
- Waha Islamic Income Fund SP of 1.6% on a fund size of AED 97.1 (US\$ 26.4 million).

<http://www.wahacapital.ae/our-businesses/asset-management>

Private Investments

Waha Capital's Private Investments business includes direct equity investments in public and private companies. The Private Investments portfolio holds nine core investments: (a) Waha Land, (b) National Energy Services Reunited Corp, (c) MENA Infrastructure Fund, (d) Channel VAS, (e) Petronash, (f) SDX Energy, (g) Anglo Arabian Healthcare (h) Despegar and (i) Equity securities portfolio.

Waha Land

Waha Land, a wholly owned subsidiary of Waha Capital, is currently engaged in developing ALMARKAZ, an integrated mixed-use industrial development with Grade "A" industrial/logistics facilities and first class infrastructure.

During the three-month period ended 31 March 2021, Waha Land reported Rental revenue and other income of AED 12.8 million (Q1 2020: AED 10.8 million) and maintained occupancy at 95%.

The carrying value of investment property was AED 716.5 million as at 31 March 2021.

<http://www.wahacapital.ae/our-businesses/principal-investments/industrial-real-estate>

National Energy Services Reunited

During June 2018, the Group acquired a 5.8% stake in a NASDAQ-listed entity, National Energy Services Reunited Corp. ("NESR Corp") as part of exit consideration of NPS Holdings Limited. Consequent to issuance of earn-out shares, the Group's ownership increased to 6.3% at reporting date.

During the year ended 31 December 2020, NESR Corp reported revenue of US\$ 834.1 million, comprised of US\$ 556.1 million from Production Services, US\$ 278.0 million from Drilling & Evaluation Services.

The carrying value of NESR Corp was AED 191.0 million as at 31 March 2021.

<https://www.nesr.com>

Petronash

During October 2018, the Group along with co-investors, entered acquired a 35% stake in Petronash, a leading provider of modular wellsite packages, chemical injection systems and wellhead control systems to the oil and gas industry. The transaction includes options, pursuant to which the Group can increase its ownership up to 50% in Petronash.

During the three-month period ended 31 March 2021, the Petronash Group Limited reported revenue of US\$ 13.7 million compared to US\$ 35.1 million for the corresponding period of 2020.

The carrying value of Petronash was AED 95.3 million as at 31 March 2021.

<http://petronash.com>

Channel VAS

The Group along with co-investors, owns a 20.0% stake in Dubai-based Channel VAS, premium provider of fintech solutions for mobile network operators and financial institutions.

During the three month period ended 31 March 2021, Channel VAS reported revenue of AED 79.5 million, compared to AED 69.9 million for the corresponding period of 2020.

The carrying value of Channel VAS was AED 164.4 million as at 31 March 2021.

<https://www.channelvas.com>

SDX Energy

The Group owns 19.5% stake in SDX Energy, a company engaged in the exploration and production of oil and gas, predominantly in the North Africa region.

During the year ended 31 December 2020, SDX Energy reported net revenue of US\$ 46.1 million, compared to US\$ 34.8 million in 2019.

The carrying value of SDX Energy was AED 34.3 million as at 31 March 2021.

<https://www.sdxenergy.com>

Anglo Arabian Healthcare

The Group owns 97% stake in a UAE healthcare provider, Anglo Arabian Healthcare (AAH), that focuses on owning and operating hospitals, clinics and pharmacies.

During the three-month period ended 31 March 2021, AAH reported consolidated revenue of AED 78.7 million, compared to AED 74.3 million for the corresponding period of 2020.

The Group's carrying value of AAH's net assets was AED 143.1 million as at 31 March 2021.

<http://www.wahacapital.ae/our-businesses/principal-investments/anglo-arabian-healthcare>

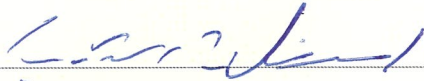
OUTLOOK

The ongoing pandemic continues to impact economies around the world, which continues to make the investment environment challenging. However, the performance of the company in the first quarter continues to highlight the investment teams track record of actively managing the portfolios, and navigating the ongoing volatility. The company supports the positive actions taken by the authorities to fight and contain the virus through vaccination programs and containment measures, which means our expectations for the business is that it well placed to support and manage the journey out of the pandemic.

The focus of the company is to continue to work towards its strategic objectives of generating market leading investment returns, with our focus for the year on:

- Building on the strong track record of our investment teams, increasing assets under management through investment returns and attracting third party investors
- Focus the Private Investment business into two core strategies, long term investments through a core investment portfolio and a diversified growth portfolio of assets outside the region.

Waha Capital is dedicated to the active management of its shareholder and client assets, by continually identifying and generating investment returns.



Ahmed Khalifa Al Mehairi

Chief Executive Officer, Al Waha Capital PJSC
4 May 2021