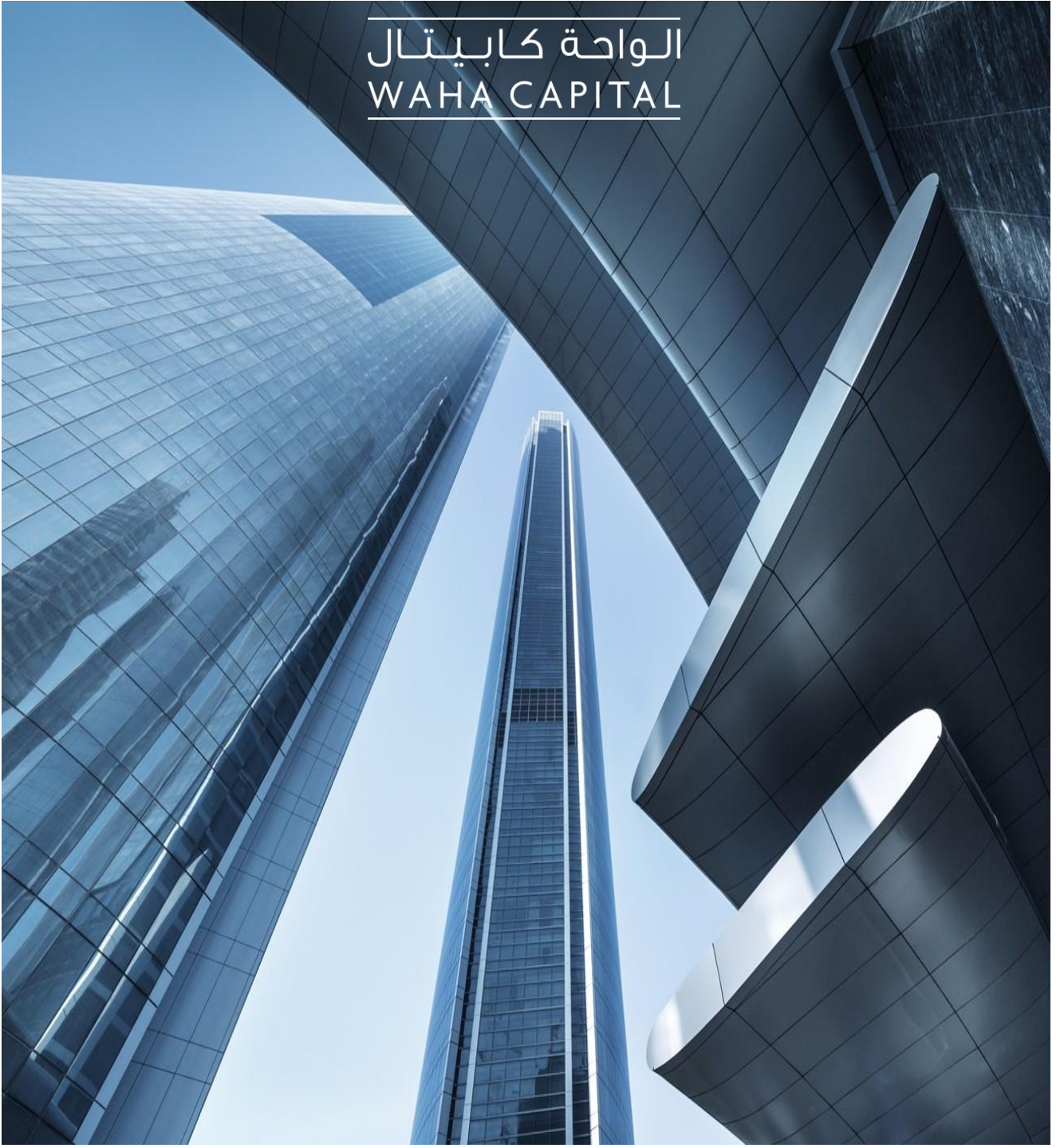


الواحة كابيتال
WAHA CAPITAL



Management discussion and analysis for the year ended 31 December 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 344.4 million for the year ended 31 December 2022 compared to AED 391.0 million for the corresponding year of 2021.

KEY ACTIVITIES DURING THE YEAR

Total Public Markets assets under management reached AED 4.8 billion (USD 1.3 billion) as of 31 December 2022 compared to AED 4.4 billion (USD 1.2 billion) as of 31 December 2021. The assets under management attributable to Owners of the Company were AED 3.0 billion as of 31 December 2022 compared to AED 2.9 billion as of 31 December 2021. The funds' year to date returns were: Waha MENA Equity Fund SP of 12.8% (net), Waha CEEMEA Credit Fund SP of 1.8% (net), Waha Islamic Income Fund SP of 0.5% (gross) and Waha EM Equity fund SP of 0.5% (gross).

During Q4 2022, Private Investments partially divested their stake in Channel VAS Investment Limited (Optasia) with a net gain of AED 129 million and proceeds of AED 203 million.

During H2 2022, the Company had also successfully divested assets under the Anglo Arabian Healthcare (AAH) portfolio, generating a net profit of AED 28 million and net proceeds of AED 88 million.

KEY FINANCIAL HIGHLIGHTS

Summary income statement for the year ended 31 December (AED '000)

	2022	2021
Revenue from sale of goods and services	111,519	118,716
Share of profit/(loss) from equity-accounted associates and joint ventures, net	13,410	(11,488)
Gain on disposal of equity-accounted associates and joint ventures	160,742	50,511
Impairment of equity-accounted associates and joint ventures, net	-	(77,970)
Income from financial investments	466,718	874,429
Income from investment property, net	45,570	47,903
Other income, net	12,728	5,112
Total income	810,687	1,007,213
Cost of sale of goods and services	(90,368)	(90,605)
General and administrative expenses - company	(119,262)	(142,192)
General and administrative expenses - subsidiaries	(55,151)	(47,901)
Finance cost, net	(119,885)	(90,012)
Total expenses	(384,666)	(371,710)
Profit for the year from continuing operations	426,021	636,503
Discontinued operations		
Loss from discontinued operations	(9,887)	(26,848)
Gain on disposal of subsidiary	32,653	-
Profit/(loss) for the period/year from discontinued operations	22,766	(26,848)
Profit for the year	448,787	609,655
Non-controlling interests	104,415	218,617
Profit attributable to owners of the Company	344,372	391,038
Basic and diluted earnings per share (AED) attributable to owners of the company	0.184	0.213
Basic and diluted earnings per share (AED) from continuing operations attributable to owners of the company	0.168	0.227

Total income

Year ended 31 December 2022

Total income of AED 810.7 million for the year ended 31 December 2022, compared to AED 1,007.2 million in 2021, was driven by the following:

- Public Markets income of AED 496.6 million compared to AED 902.0 million in 2021. The global markets environment was challenging in 2022 with persistent inflation, tightening financial conditions, slowing economic growth and geopolitical risks. Despite this, the results of public markets were strong relative to the market conditions.
- Private Investments income of AED 259.2 million compared to AED 55.3 million in 2021 mainly reflecting:
 - Revenue from sale of goods and services from Health care subsidiaries of AED 111.5 million (2021: AED 118.7 million);
 - Profit from equity accounted investment of AED 13.4 million (2021: loss of AED 11.5 million);
 - No impairment in 2022 compared with AED 78.0 million in 2021 following a reassessment of specific equity accounted investments recoverable amounts;
 - Loss from financial investments of AED 28.4 million compared to AED 27.2 million in 2021; and
 - Gain on disposal of AED 160.7 million mainly from the partial disposal of stake in Channel VAS Investment Limited (Optasia) (2021: AED 50.5 million).
- Waha Land income of AED 46.5 million compared to AED 49.7 million in 2021

Total expenses

Year ended 31 December 2022

Total expenses for the year ended 31 December 2022 was AED 384.7 million, compared to AED 371.7 million in 2021, mainly comprised of:

- General and administrative expenses - company, amounting to AED 119.3 million compared to AED 142.2 million in 2021, a decrease of AED 22.9 million mainly due to lower staff costs.
- General and administrative expenses – subsidiaries, amounting to AED 55.2 million compared to AED 47.9 million in 2021, an increase of AED 7.3 million mainly due to increase in legal expenses.
- Finance costs, net - company, amounting to AED 83.7 million, compared to AED 46.2 million in 2021, an increase of AED 37.5 million due to rising interest rates.
- Finance costs, net - subsidiaries, amounting to AED 36.2 million, compared to AED 51.2 million in 2021, a decrease of AED 15.0 million due to lower utilisation of repurchase liabilities for public market funds.

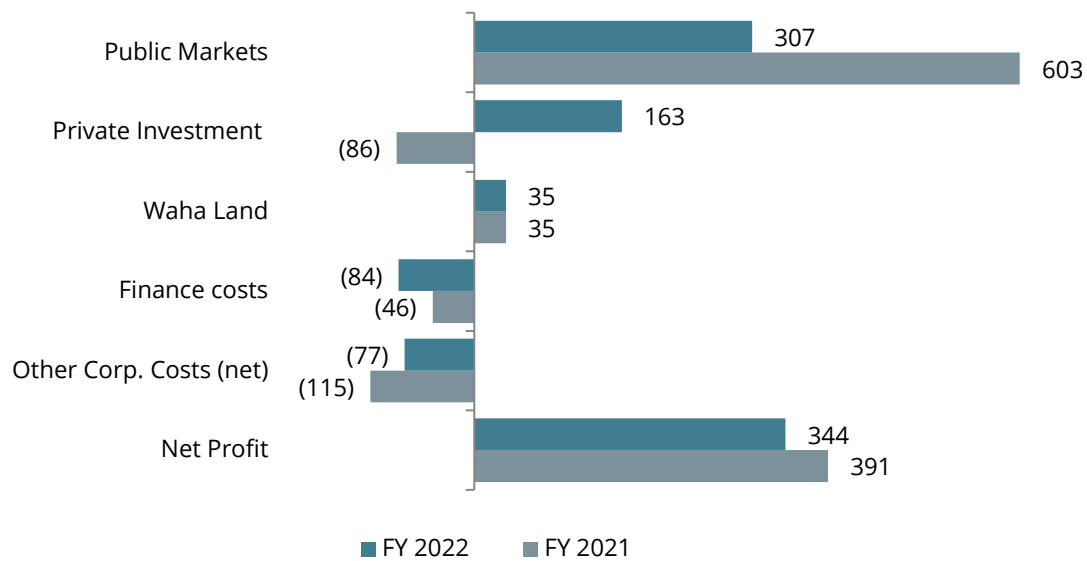
Net profit attributable to owners of the Company

Year ended 31 December 2022

Net Profit of AED 344.4 million for the year ended 31 December 2022, compared to AED 391.0 million in 2021, was driven by the following:

- Public Markets profit of AED 307.4 million compared to AED 602.9 million in 2021.
- Private Investments profit of AED 140.2 million compared to loss of AED 59.5 million in 2021.
- Waha Land profit of AED 34.8 million compared to AED 35.1 million in 2021.
- Profit from discontinued operations of AED 22.8 million compared to loss of AED 26.8 million in 2021, mainly due to gain on sale of subsidiary.
- Finance and other corporate costs of AED 160.8 million compared to AED 160.7 million in 2021.

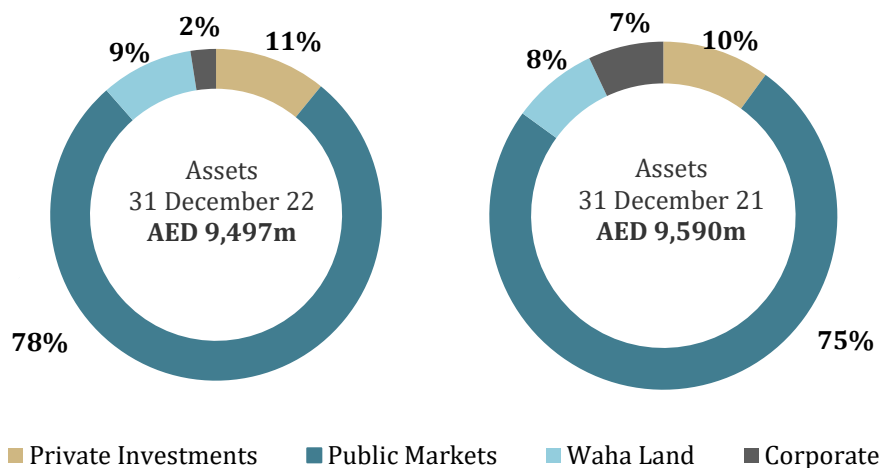
Net profit attributable to owners of the Company by segment (AED million)



Balance sheet highlights

AED '000	As at 31-Dec-22	As at 31-Dec-21
Investments in equity accounted associates and joint ventures	95,505	170,242
Right-of-use assets	35,245	99,649
Investment property	282,232	711,422
Financial investments	6,873,932	6,414,024
Loan investments	40,749	-
Other assets	905,489	772,879
Cash and bank balances	797,349	1,421,350
Assets held for sale	466,940	-
Total assets	9,497,441	9,589,566
Borrowings	3,585,715	4,117,198
Derivative liabilities	72,644	100,626
Lease liabilities	34,368	119,918
Trade and other liabilities	475,768	460,434
Total liabilities	4,168,495	4,798,176
Total equity	5,328,946	4,791,390
Total liabilities and equity	9,497,441	9,589,566

Total assets composition (AED million)



The Group's total assets of AED 9,497.4 million as of 31 December 2022, compared to AED 9,589.6 million as of 31 December 2021 mainly comprised of:

- Investments in equity accounted associates and joint ventures of AED 95.5 million compared to AED 170.2 million in 2021, a decrease of AED 74.7 million, due to asset disposals of AED 70.9 million and dividends received of AED 13.0 million offset by share of profit of AED 13.4 million.
- Financial investments of AED 6,873.9 million compared to AED 6,414.0 million for the corresponding period of 2021, an increase of AED 459.9 million, due to a net increase of AED 291.1 million from private investments and AED 168.8 million in public market funds.
- Cash and bank balances of AED 797.3 million compared to AED 1,421.3 million in 2021, a decrease of AED 624.0 million; mainly includes the following cash flows:
 - Corporate: Dividends paid AED 138.8 million and repayment of Revolving Credit facility AED 239.1 million;
 - Public Markets: Net sales of financial investments of AED 298.3 million and net contributions from non-controlling interest holders of AED 200.2 million, offset by decrease in repurchase liabilities of AED 297.0 million and reduction in working capital AED 393.0 million; and
 - Private Investments: Net Investment in unquoted funds and loan investment AED 403.5 million offset by net proceeds from disposal of investments AED 353.5 million.

The Group's total liabilities of AED 4,168.5 million as of 31 December 2022 compared to AED 4,798.2 million as at 31 December 2021, a decrease of AED 629.7 million, comprised of:

- Borrowings of AED 3,585.7 million compared to AED 4,117.2 million as of 31 December 2021, a decrease of AED 531.5 million; mainly represents decrease in repurchase liabilities related to public market funds of AED 297.0 million and repayment of revolving corporate facility of AED 239.1 million.

BUSINESS AND PORTFOLIO COMPANIES ANALYSIS

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

Public Markets

The Public Markets business has focused on applying rigorous analysis to emerging markets to deliver solid returns over the market cycle on behalf of the Group and external investors. All the funds within the Public Market's management continued to outperform their benchmarks in 2022, despite the challenging macro-economic conditions impacting markets around the world.

Since inception of the business in 2012, two flagship funds were 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' year to date returns on invested capital were:

- Waha MENA Equity Fund SP of 12.8% (net) on a fund size of AED 2.70bn (US\$ 734.0 million);
- Waha CEEMEA Credit Fund SP of 1.8% (net) on a fund size of AED 1.93bn (US\$ 523.7 million);
- Waha Islamic Income Fund SP of 0.5% (gross) on a fund size of AED 0.13bn (US\$ 36.4 million); and
- Waha EM Equity Fund SP of 0.5% (gross) on a fund size of AED 0.01bn (US\$ 22.8 million).

Private Investments

The Private Investments business provides shareholders and institutional investors with global diversification opportunities beyond traditional capital markets exposure.

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 2022, five new investments were made into this portfolio totalling AED 406 million. This portfolio also generated a 10.0% return in 2022, its first full year of operation. Net Carrying value of the Global Opportunities portfolio as of 31 December 2022 was AED 528 million.

The Core portfolio seeks 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.

Earlier in the year, the business launched Waha Health, the holding company for Waha Capital's healthcare assets and successfully divested the remainder of the Anglo Arabian Healthcare (AAH) portfolio. The portfolio generated a net profit of AED 23 million and net proceeds of AED 88 million. Net Carrying value of the Core portfolio as of 31 December 2022 was AED 54 million.

The Legacy portfolio consists of the Company's existing mature investments with the goal of assessing potential monetisation options. In 2022, the business-initiated implementation of their multi-year strategy to maximise shareholder value. Accordingly, the Company has divested its tactical holdings in the Waha U.S. Securities portfolio, SDX Energy, equity investment in ADDAX bank and partially divested its stake in Channel VAS Investment Limited (Optasia). During 2022, the portfolio generated a net income of AED 121 million and cashflows of AED 284 million. Net Carrying value of the Legacy portfolio as of 31 December 2022 was AED 359 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 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 km² 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 km²), will be completed in three Stages. In Stage 1 and Stage 2A, circa 180,000 m² 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 m² 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.

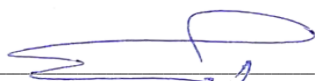
During the year ended 31 December 2022, Waha Land reported total income of AED 46.5 million (2021: AED 49.7 million).

The carrying value of investment property was AED 749 million as of 31 December 2022, including AED 467 million classified as held for sale.

OUTLOOK

Waha Capital remains committed to delivering strong and sustained returns for its shareholders and investors, as demonstrated by another successfully profitable year. Despite the increased economic and market uncertainty globally, the Company has shown resilience and reported positive returns to-date thanks to its prudent approach. The Public Markets business has continued to deliver robust results since inception, with the flagship funds continuing to outperform their benchmark indices in 2022. The growth strategy for the Private Investments business has also begun to yield results, with investments made and growth achieved in the Global Opportunities and Core Portfolio, and the opportunistic monetization of mature assets under the Legacy Portfolio.

Despite an anticipated uncertain macroeconomic environment ahead, driven by the combination of slow growth, high inflation, and geopolitical risks, Waha Capital remains cautiously optimistic about the future. Active management of the funds, growing the investor base, and preserving and scaling third party capital remain a priority for the Public Markets business for 2023. Assessing and investing in a diverse pipeline of investments for the Global Opportunities and Core Portfolio and evaluating opportunities for value crystallization of mature assets will remain priorities for the Private Investments business. Waha Land will also maintain and continue executing its long-term strategy to develop, lease and monetize land and built assets at ALMARKAZ. Underpinning this outlook is the Company's continued focus on maintaining strong corporate governance, protecting both shareholder and client assets, growing the asset base and achieving economies of scale across our balance sheet.



Ahmed Ali Khaifan Al Dhaheri

Vice Chairman, Al Waha Capital PJSC

10 February 2023