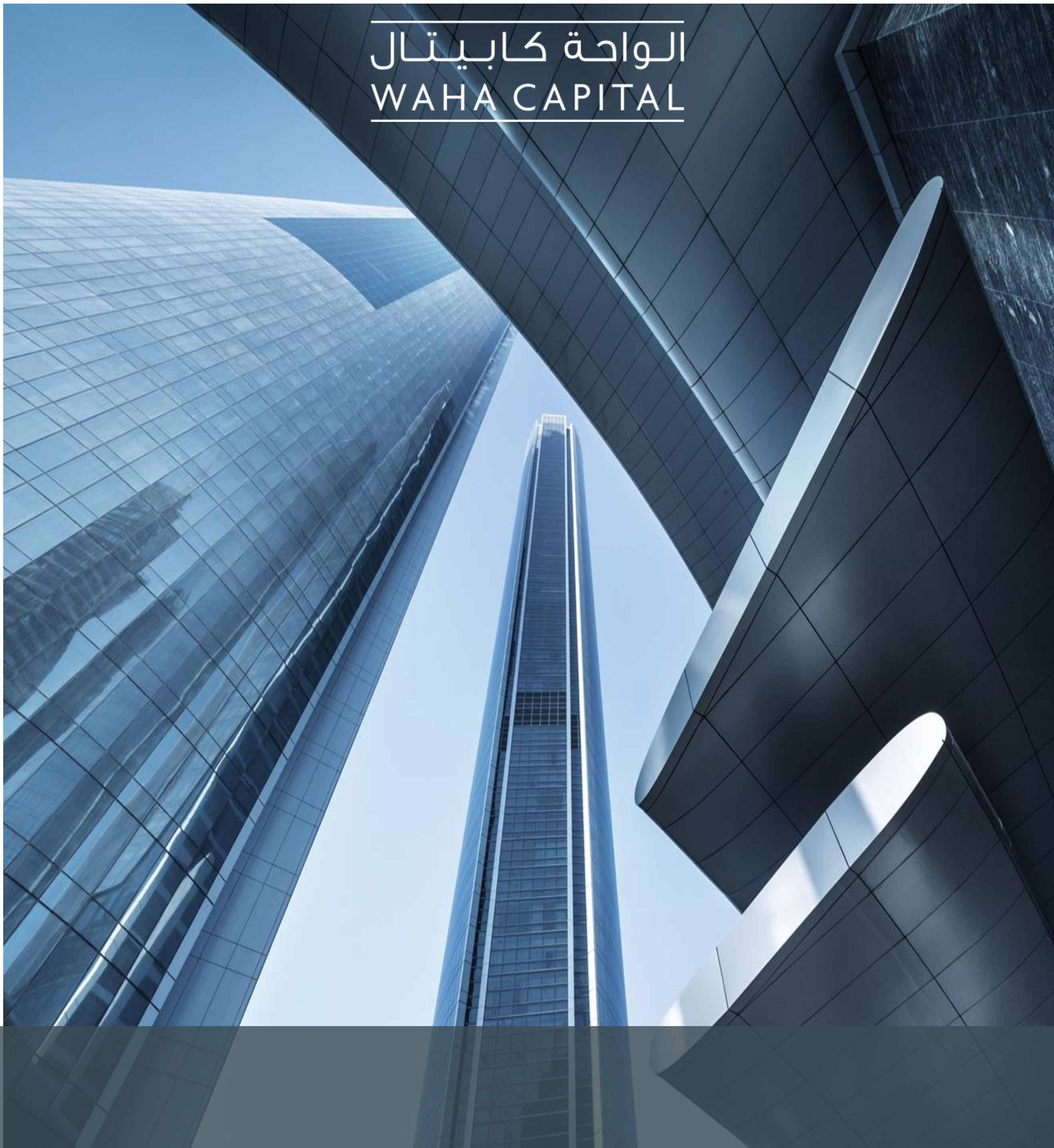


Q3 2019 REPORT

Management discussion and analysis
for the period ended 30 Septemper 2019

Al Waha Capital PJSC ("the Company") and its subsidiaries (together referred to as "the Group") reported net loss attributable to Owners of the Company of AED (387.3) million for the nine-month period ended 30 September 2019 compared to net profit of AED 295.1 million for the corresponding period of 2018.

KEY ACTIVITIES DURING THE PERIOD

During the period, equity price collars on 8.9 million shares of Aercap Holdings N.V. ("Aercap") matured and were settled. As part of the transaction, 8.9 million shares (6.2%) of Aercap were disposed for total consideration of AED 1,595.8 million, utilised in settlement of the corresponding borrowing of AED 1,303.7 million; resulting net loss of AED (143.0) million.

During the period, the Group injected capital of AED 87.5 million in Deem Finance (previously named "Dunia Finance").

Total assets under management reached AED 3.1 billion as at 30 September 2019 compared to AED 2.5 billion as at 31 December 2018, an increase of 24%. The assets under management attributable to Owners of the Company were AED 1.9 billion as at 30 September 2019 compared to AED 1.5 billion as at 31 December 2018. The funds' period to date returns on invested capital at the beginning of the period, attributable to Owners of the Company were; Waha CEEMEA Credit Fund SP of 14.65%, Waha MENA Equity Fund SP of 21.37% and Waha MENA Value Fund SP of 24.49%.

KEY PERFORMANCE MEASURES

Total income

Nine month period ended 30 September 2019

Total income of AED 256.1 million for the nine-month period ended 30 September 2019, compared to AED 812.2 million for the corresponding period of 2018, was driven by the following:

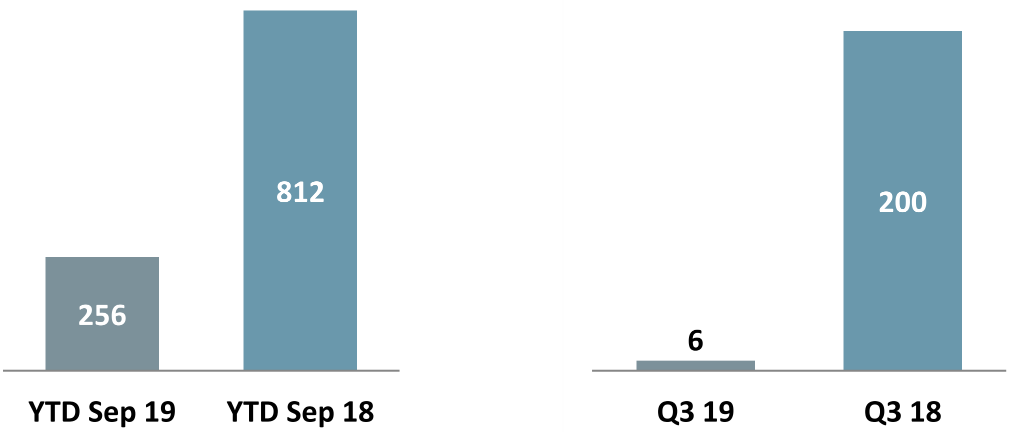
- Asset Management – Capital Markets of AED 551.0 million compared to AED 240.6 million during the corresponding period of 2018.
- Private Investments loss of AED (295.0) million compared to income of AED 571.6 million in the corresponding period of 2018, reflecting an adjustment of AED 326.8 million (YTD Sep 2018: AED 147.3 million) following a reassessment of AerCap's and National Energy Services Reunited Corp.'s ("NESR Corp") recoverable amounts.

Three month period ended 30 September 2019

Total income of AED 5.5 million for the three-month period ended 30 September 2019, compared to AED 199.6 million for the corresponding period of 2018, was driven by the following:

- Asset Management – Capital Markets of AED 156.0 million compared to income of AED 0.1 million during the corresponding period of 2018.
- Private Investments loss of AED (150.6) million compared to income AED 199.5 million during the corresponding period of 2018, reflecting an adjustment of AED 117.4 million (Q3 2018: AED 3.5 million) following a conservative reassessment of AerCap and NESR Corp's recoverable amounts.

Total income (AED in million)



Net profit / (loss) attributable to owners of the Company

Nine month period ended 30 September 2019

Net loss of AED (387.3) million for the nine-month period ended 30 September 2019, compared to a net profit of AED 295.1 million for the corresponding period of 2018, was mainly driven by the following:

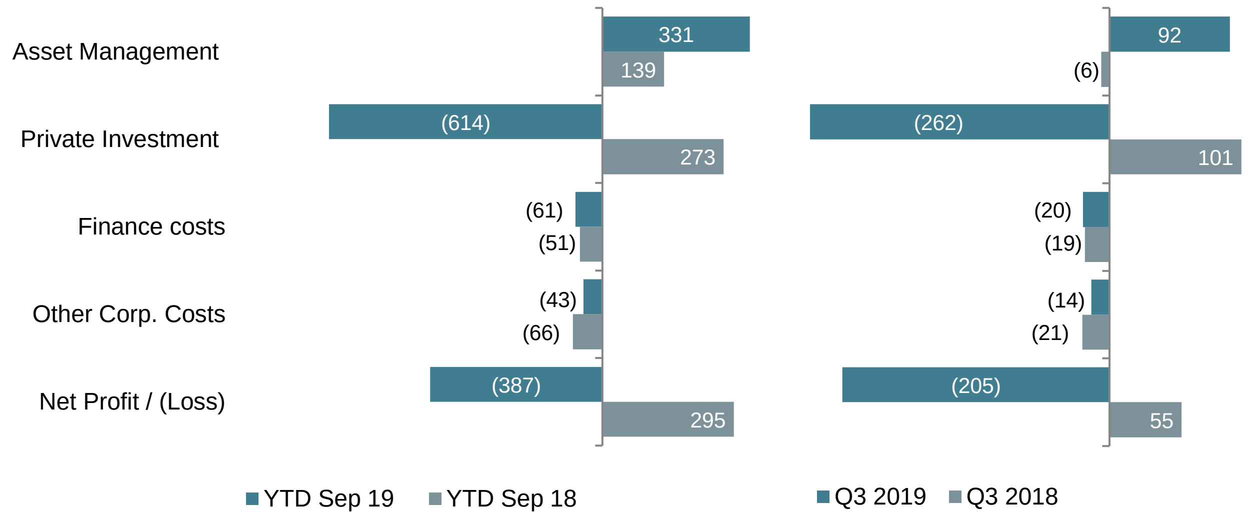
- Asset Management – Capital Markets profit of AED 331.4 million compared to AED 138.8 million during the corresponding period of 2018.
- Private Investments loss of AED (614.3) million compared to profit of AED 272.6 million during the corresponding period of 2018.

Three month period ended 30 September 2019

Net loss of AED (205.0) million for the three month period ended 30 September 2019, compared to a net profit of AED 55.4 million for the corresponding period of 2018, was driven by the following:

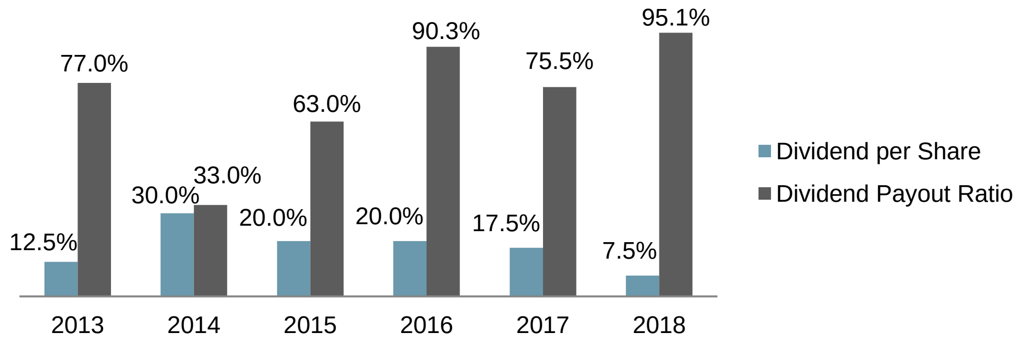
- Asset Management – Capital Markets profit of AED 92.2 million compared to loss of AED (6.3) million during the corresponding period in 2018.
- Private Investments loss of AED (262.5) million compared to profit of AED 101.1 million in 2018.

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



DIVIDEND PROFILE

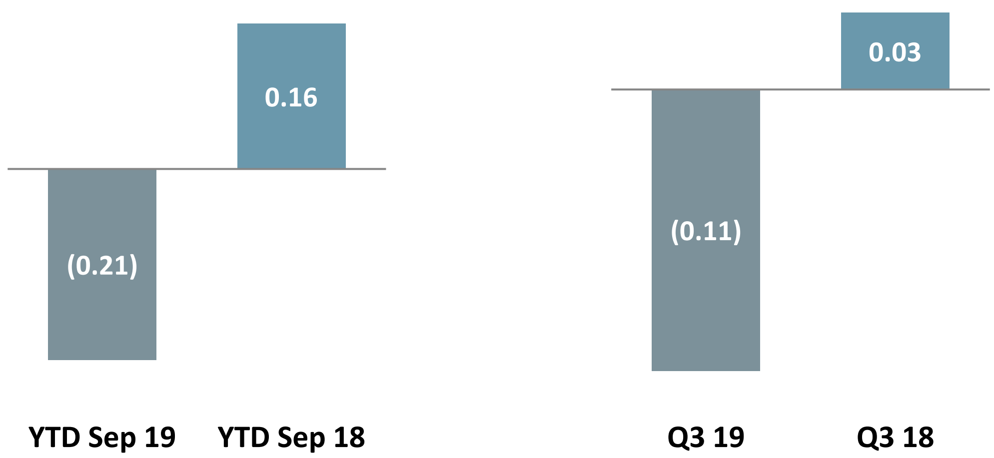
The Company held its Annual General Meeting on 24 March 2019, during which the shareholders approved a cash dividend amounting to AED 137.9 million representing AED 0.075 per share (25 March 2018: cash dividend of AED 321.7 million representing AED 0.175 per share). This represents a dividend payout ratio of 95.1% of the Group's net profit attributable to shareholders. Historically the dividend trend is as follows:



KEY FINANCIAL HIGHLIGHTS

Summary income statement for AED '000	Nine month period ended 30 September		Three month period ended 30 September	
	2019	**2018**	**2019**	**2018**
Revenue from sale of goods and services	**242,547**	211,070	**75,815**	66,867
Share of profit from equity-accounted associates and joint ventures, net	**257,350**	406,597	**78,462**	125,462
(Loss) / gain on disposal of equity-accounted associates and joint ventures	**(142,967)**	64,100	**10,638**	39,073
Gain on disposal of asset classified as held for sale	**-**	92,098	**-**	-
Impairment of equity-accounted associates and joint ventures	**(326,762)**	(147,266)	**(117,397)**	(3,521)
Income / (loss) from financial investments	**257,148**	161,645	**(10,088)**	(37,890)
Impairment of investment property	**(33,000)**	-	**(33,000)**	-
Other income, net	**1,743**	23,929	**1,060**	9,595
Total income	**256,059**	812,173	**5,490**	199,586
Cost of sale of goods and services	**(178,548)**	(162,570)	**(56,994)**	(53,005)
General and administrative expenses - company	**(62,945)**	(90,256)	**(20,455)**	(30,162)
General and administrative expenses - subsidiaries	**(113,126)**	(113,195)	**(48,439)**	(41,959)
Finance cost, net	**(144,237)**	(113,110)	**(44,829)**	(39,686)
Total expenses	**(498,856)**	(479,131)	**(170,717)**	(164,812)
(Loss) / profit for the period	**(242,797)**	333,042	**(165,227)**	34,774
Non-controlling interests	**(144,456)**	(37,925)	**(39,795)**	20,615
(Loss) / profit attributable to owners of the Company	**(387,253)**	295,117	**(205,022)**	55,389
Basic and diluted (loss) / earnings per share (AED)	**(0.21)**	0.16	**(0.11)**	0.03

(Loss) / earnings per share (AED)



الواحة كابيتال
WAHA CAPITAL

TOTAL INCOME ANALYSIS

Nine-month period ended 30 September 2019

Total income reported by the Group for the nine-month period ended 30 September 2019 was AED 256.1 million, compared to AED 812.2 million during the corresponding period in 2018, mainly comprised of:

a) Revenue from sale of goods and services, amounting to AED 242.5 million (YTD Sep 2018: AED 211.1 million) mainly represents revenue from the Group's healthcare subsidiary, Anglo Arabian Healthcare and rental income from the Group's industrial real estate subsidiary, Waha Land. The increase of revenue was mainly driven by increase in laboratory services by AED 17.0 million and patient fees by AED 14.6 million.

b) Share of profit / (loss) and loss on disposal of equity accounted associates and joint ventures, net, amounting to a net profit of AED 114.4 million (YTD Sep 2018: AED 470.7 million), mainly includes:
   - AerCap:
     - share of profit of AED 291.9 million (YTD Sep 2018: share of profit of AED 460.6 million);
     - loss on disposal of AED (143.0) million (YTD Sep 2018: gain on disposal of AED 64.1 million), relating to the disposal of shares in AerCap;
   - Channel VAS: share of profit of AED 3.5 million (YTD Sep 2018: share of profit of AED 2.0 million);
   - Petronash Global Limited: share of loss of AED (17.5) million (YTD Sep 2018: share of profit of AED 7.7m); and
   - NESR Corp: share of profit of AED 9.3 million (YTD Sep 2018: share of profit of AED nil).

c) Impairment of equity accounted associates and joint ventures, amounting to AED 326.8 million (YTD Sep 2018: AED 147.3 million) represents impairment of Aercap (AED 286.6 million) and NESR Corp (AED 40.2 million) following a reassessment of the investments' recoverable amount due to their share price trading at lower multiples over a prolonged period, among other relevant factors.

d) Income from financial investments, amounting to AED 257.1 million compared to AED 161.6 million in the corresponding period of 2018, mainly due to:

   Capital Markets:
   - Increase of AED 202.6 million due to higher income from the fixed income fund portfolio;
   - Increase of AED 218.8 million due to higher income of the equity funds portfolio; offset by
   - Decrease of AED 91.7 million due to lower income on derivative contracts in the equity portfolio; and
   - Lower income from private transactions by AED 20.0 million;

   Private Investments:
   - Decrease of AED 134.8 million due to mark-to-market movement in derivatives related to equity accounted investee;
   - Decrease of AED 21.3 million due to mark-to-market movement in SDX Energy Inc.; and
   - Higher recycling expense on the maturity of equity price collar by AED 29.8 million.

e) Impairment of investment property, an amount of AED 33.0 million in investment property was recognised during the quarter using an internal assessment, considering the slowdown in the real estate market.

Three month period ended 30 September 2019

Total income reported by the Group for the three-month period ended 30 September 2019 was AED 5.5 million, compared to AED 199.6 million during the corresponding period in 2018, mainly comprised of:

a) Revenue from sale of goods and services, amounting to AED 75.8 million (Q3 2018: AED 66.9 million) mainly represents revenue from the Group's healthcare subsidiary, Anglo Arabian Healthcare and rental income from the Group's industrial real estate subsidiary, Waha Land. The increase of revenue was mainly driven by increase in laboratory services by AED 3.7 million and patient fees by AED 5.2 million.

b) Share of profit / (loss) and gain on disposal of equity accounted associates and joint ventures, net, amounting to a net profit of AED 89.1 million (Q3 2018: AED 164.5 million), mainly includes:
   - AerCap:
     - Share of profit of AED 77.0 million (Q3 2018: share of profit of AED 148.6 million);
     - Gain on disposal of AED 10.6 million (Q3 2018: gain on disposal of AED 39.1);
   - Channel VAS: share of profit of AED 10.0 million (Q3 2018: share of profit of AED 1.2 million);
   - Petronash Global Limited: share of loss of AED (11.4) million (Q3 2018: share of profit of AED 7.7m); and
   - NESR Corp: share of profit of AED 2.5 million (Q3 2018: share of profit of AED nil).

c) Impairment of equity accounted associates and joint ventures, amounting to AED 117.4 million (2018: AED 3.5 million) represents impairment of Aercap (AED 77.2 million) and NESR Corp (AED 40.2 million) following a reassessment of the investments' recoverable amount due to their share price trading at lower multiples over a prolonged period, among other relevant factors.

d) Loss from financial investments, amounting to AED (10.1) million compared to AED (37.9) million in the corresponding period of 2018, mainly due to:

Capital Markets:

- Increase of AED 26.5 million due to higher income from the fixed income fund portfolio;
- Increase of AED 127.5 million due to higher income of the equity funds portfolio;
- Increase of AED 7.4 million due to higher income on derivative contracts in the equity portfolio; and
- Lower income from private transactions by AED 6.0 million;

Private Investments:

- Decrease of AED 123.8 million due to mark-to-market movement in derivatives related to equity accounted investee; offset by
- Increase of AED 11.3 million due to mark-to-market movement in SDX Energy Inc.; and
- Lower recycling expense on the maturity of equity price collar by AED 5.4 million.

e) Impairment of investment property, an amount of AED 33.0 million in investment property was recognised during the quarter using an internal assessment considering the slowdown in the real estate market.

TOTAL EXPENSE ANALYSIS

Nine-month period ended 30 September 2019

Total expenses reported by the Group for the nine-month period ended 30 September 2019 was AED 498.9 million, compared to AED 479.1 million during the corresponding period in 2018, mainly comprised of:

a) Cost of sale of goods and services, amounting to AED 178.5 million compared to AED 162.6 million in the corresponding period of 2018, mainly due to increase in cost of sales related to laboratory services and patient fees in line with the increase in revenue.

b) General and administrative expenses - Company, amounting to AED 62.9 million compared to AED 90.3 million in the corresponding period of 2018, a decrease of AED 27.4 million, mainly due to reversal of staff related costs and reversal of social contribution expense.

c) General and administrative expenses - Subsidiaries, amounting to AED 113.1 million, compared to AED 113.2 million in the corresponding period of 2018.

d) Finance costs, net - Company, amounting to AED 60.8 million, compared to AED 50.8 million in the corresponding period of 2018, an increase of AED 10.0 million, mainly due to higher corporate facility deployment and higher interest rates.

e) Finance costs, net - Subsidiaries, amounting to AED 83.4 million, compared to AED 62.3 million in the corresponding period of 2018, an increase of AED 21.1 million, mainly due to higher utilisation of repurchase liabilities for public market funds and lower capitalisation of interest on development of investment property offset by lower amortisation of interest cost on collar borrowings.

Three-month period ended 30 September 2019

Total expenses reported by the Group for the three-month period ended 30 September 2019 was AED 170.7 million, compared to AED 164.8 million during the corresponding period in 2018, mainly comprised of:

a) Cost of sale of goods and services, amounting to AED 57.0 million compared to AED 53.0 million in the corresponding period of 2018, mainly due to increase in cost of sales related to laboratory services and patient fees in line with the increase in revenue.

b) General and administrative expenses - Company, amounting to AED 20.5 million compared to AED 30.2 million in the corresponding period of 2018, a decrease of AED 9.7 million, mainly due to reversal of staff related costs and reversal of social contribution expense.

c) General and administrative expenses - Subsidiaries, amounting to AED 48.4 million, compared to AED 42.0 million in the corresponding period of 2018, mainly due to the increase in expenses from Anglo Arabian Healthcare.

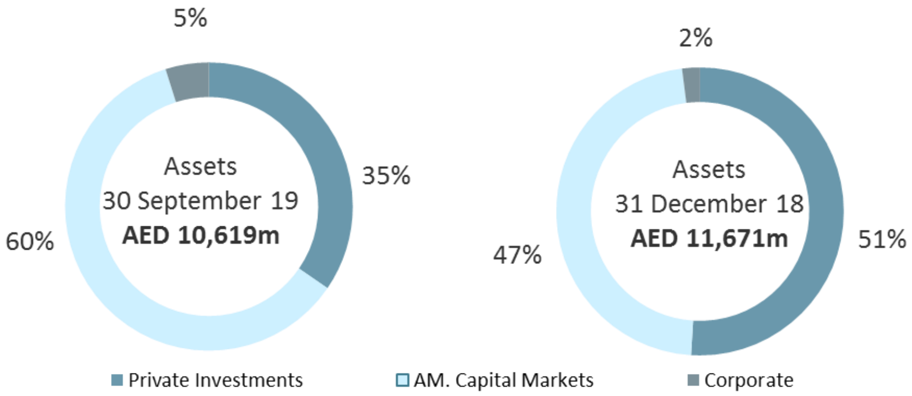
d) Finance costs, net - Company, amounting to AED 20.3 million, compared to AED 18.8 million in the corresponding period of 2018, an increase of AED 1.5 million, mainly due to higher corporate facility deployment and higher interest rates.

e) Finance costs, net - Subsidiaries, amounting to AED 24.5 million, compared to AED 20.9 million in the corresponding period of 2018, an increase of AED 3.6 million, mainly due to higher utilisation of repurchase liabilities for public market funds offset by lower amortisation of interest cost on collar borrowings.

Balance sheet highlights

AED '000	As at 30-Sep-19	As at 31-Dec-18
Investments in associates and joint ventures	**2,308,167**	4,200,967
Right-of-use assets	**132,643**	-
Investment property	**733,559**	753,566
Financial investments	**5,621,350**	5,418,628
Investments in finance leases and loans	**232,963**	235,866
Other assets	**795,598**	633,412
Cash and cash equivalents	**794,794**	428,970
Total assets	**10,619,074**	11,671,409
Borrowings	**5,739,191**	6,463,768
End of service benefit provision	**31,441**	33,969
Derivative liabilities	**56,275**	36,304
Lease liabilities	**137,449**	-
Trade and other liabilities	**555,854**	587,438
Total liabilities	**6,520,210**	7,121,479
Total equity	**4,098,864**	4,549,930
Total liabilities and equity	**10,619,074**	11,671,409

Total assets composition (AED in million)



The Group's total assets of AED 10,619.1 million as at 30 September 2019, compared to AED 11,671.4 million as at 31 December 2018, a decrease of AED 1,052.3 million, comprised of:

a) Investments in associates and joint ventures of AED 2,308.2 million compared to AED 4,201.0 million in 2018, a decrease of AED 1,892.8 million; mainly representing (i) disposal of 8.9 million AerCap shares with reduction in carrying value of AED 1,725.4 million; (ii) reversal of partial contingent consideration in Petronash as per certain performance criteria amounting to AED 121.4 million; (iii) dividends received amounting to AED 22.0 million; (iv) share of profit, net of impairment, of AED (69.4) million; and (v) share of equity reserve movement of AED 61.5 million; offset by (i) capital injection in Deem Finance (previously named "Dunia Finance") of AED 87.5 million; and (ii) issuance of additional shares in NESR Corp as per certain performance criteria amounting to AED 17.3 million.

b) Right-of-use assets of AED 132.6 million mainly represents Anglo Arabian Healthcare initial adjustment on first time adoption of IFRS 16 *Leases,* less amortization.

c) Financial investments of AED 5,621.4 million compared to AED 5,418.6 million in 2018, an increase of AED 202.8 million, mainly representing an increase of AED 666.5 million in public market funds, a decrease of AED 187.6 million representing fair value of derivatives related to equity accounted investee, revaluation decrease of AED 251.2 million in equity price collars in AerCap and decrease in fair value of associate carried at fair value of AED 21.7 million.

d) Other assets of AED 795.6 million compared to AED 633.4 million in 2018, an increase of AED 162.2 million; mainly due to the increase in trade receivable on account of disposal of public securities.

e) Cash and cash equivalents of AED 794.8 million compared to AED 429.0 million in 2018, an increase of AED 365.8 million; mainly includes the following cash flows:
   - Corporate: payments of AED 137.9 million for 2018 dividends; offset by drawdown of revolving corporate facility of AED 331.0 million;
   - Capital Markets: net investments of AED 32.9 million; funded by repurchase liabilities of AED 199.4 million; offset by contributions from non-controlling interest holders of AED 98.3 million; and
   - Private Investments: Proceeds from net settlement of AerCap shares of AED 292.1 million; offset by capital injection in Deem Finance (previously named "Dunia Finance") of AED 87.5 million.

The Group's total liabilities of AED 6,520.2 million as at 30 September 2019 compared to AED 7,121.5 million as at 31 December 2018, a decrease of AED 601.3 million, comprised of:

a) Borrowings of AED 5,739.2 million compared to AED 6,463.8 million in 2018, a decrease of AED 724.6 million mainly represents net loan drawdowns from corporate facility, repurchase liabilities related to public market funds, and subsidiaries (healthcare and industrial real estate) within Private Investments amounting to AED 331.0 million, AED 199.4 million and AED 22.6 million respectively; offset by settlement of collar borrowings of AED 1,303.7 million.
b) Derivative liabilities of AED 56.3 million compared to AED 36.3 million in 2018, an increase of AED 20.0 million; due to fair value gain from public market funds.
c) Lease liability of AED 137.4 million mainly represents Anglo Arabian Healthcare initial adjustment on first time adoption of IFRS 16 *Leases*.
d) Trade and other liabilities of AED 555.9 million compared to AED 587.4 million in 2018, a decrease of AED 31.5 million.

Cash flows analysis

Following are the key cash flow activities for the nine month period ended 30 September 2019:

AED '000	**30-Sep-19**	**30-Sep-18**
Cash flows generated from operating activities	1,447,114	1,153,107
Cash flows (used in) / generated from investing activities	(10,355)	14,453
Cash flows used in financing activities	(1,070,935)	(816,052)
Net increase in cash and cash equivalents	**365,824**	351,508

Nine month period ended 30 September 2019

Cash flows generated from operating activities of AED 1,447.1 million in 2019 compared to AED 1,153.1 million in YTD Sep 2018, was mainly driven by:

- Cash inflow from partial disposal of investment in AerCap of AED 1,595.8 million (YTD Sep 2018: AED 1,318.6 million);
- Cash inflow from disposal of investment in NPS Holdings Limited of AED nil (YTD Sep 2018: AED 245.5 million); and
- Cash inflow from investments in public securities of AED 118.3 million, net of repurchase liabilities (YTD Sep 2018: outflow 124.8 million); offset by
- Cash outflow from investment in Deem Finance (previously named "Dunia Finance") of AED 87.5 million (YTD Sep 2018: AED nil).

Cash outflows used in investing activities amounting to outflow of AED 10.4 million in 2019 compared to inflow of AED 14.5 million in YTD Sep 2018, mainly driven by the release of deposit under lien amounting to AED 25.0 million during YTD Sep 2018.

Cash flows used in financing activities were AED 1,070.9 million in 2019 compared to AED 816.1 million in YTD Sep 2018, as follows:

- Cash outflow related to 2018 dividend of AED 137.9 million (YTD Sep 2018: 321.7 million); and
- Cash outflow related to repayment of Collar financing amounting to AED 1,303.7 million (YTD Sep 2018: AED 923.3 million); offset by
- Cash inflow related to net corporate facility loan drawdown of AED 331.0 million (YTD Sep 2018: AED 293.5 million); and
- Cash inflow related to contributions from non-controlling interest holders amounting to AED 98.5 million (YTD Sep 2018: AED 198.1 million).

Leverage

The Group's leverage, defined under the corporate facility, was 33.9% as at 30 September 2019 compared to 25.3% as at 31 December 2018.

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

The Asset Management division comprises the Group's Capital Markets platform.

Asset Management - Capital Markets

Total assets under management reached AED 3.1 billion as at 30 September 2019 compared to AED 2.5 billion as at 31 December 2018, an increase of 24%. The assets under management attributable to Owners of the Company were AED 1.9 billion as at 30 September 2019 compared to AED 1.5 billion as at 31 December 2018. The funds' period to date returns on invested capital at the beginning of the period, attributable to Owners of the Company were:

- Waha CEEMEA Credit Fund SP of 14.65%;
- Waha MENA Equity Fund SP of 21.37%; and
- Waha MENA Value Fund SP of 24.49%.

Total income from Capital Markets generated from public funds and private transactions was AED 551.0 million for the nine-month period ended 30 September 2019 compared to AED 240.6 million for the corresponding period in 2018. Capital Markets generated a net profit of AED 485.0 million for the nine-month period ended 30 September 2019 (AED 331.4 million attributable to the Owners of the Company) compared to AED 190.4 million in the corresponding period of 2018 (AED 138.8 million attributable to the Owners of the Company).

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.

Over the last 8 years, two flagship funds have been developed: the Waha CEEMEA Credit Fund and the Waha MENA Equity Fund. Time and capital ($100m seed in each) has been invested to build the team, infrastructure and track record (5 years+) before looking to raise third party capital.

The funds are domiciled in the Cayman Islands and regulated and supervised by the Cayman Islands Monetary Authority. HSBC Bank Middle East Limited acts as Fund Administrator and Global Custodian for the underlying assets. The funds are managed by Waha Investment PrJSC, an investment manager licensed by the Securities & Commodities Authority and is registered with the Securities & Exchange Commission (SEC). Total assets managed by Waha Investment PrJSC, including third party assets, amount to AED 3.1 billion as at 30 September 2019.

The business development team is focused on actively marketing the funds to large institutional investors, particularly in North America and the MENA region.

The two flagship funds are summarized below:

Waha CEEMEA Credit Fund

The Waha CEEMEA Credit Fund targets an absolute return throughout market cycles. The fund primarily invests in hard currency fixed income instruments from Emerging Market corporate and sovereign credits in the Central Europe, Eastern Europe, Middle East and Africa (CEEMEA) region. The fund employs a Long/Short strategy combining macro research and bottom up analysis with a valuation overlay to create a portfolio of relative value trades. The fund substantially hedges out interest rate risks and FX exposure back to USD to focus on identifying relative value in credit. The Fund is actively managed by seasoned team of investment professionals and was recently awarded Best Emerging Market Debt Fund at the 2019 European HFM Awards.

During the period ended 30 September 2019, Waha CEEMEA Credit Fund has achieved the following:

- Fund size of US$ 313.1 million;
- YTD 2019 return of 14.65% (attributable to Owners of the Company); and
- Cumulative return of 172.9% since inception (Jan 2012)

Waha MENA Equity Fund

The Waha MENA Equity Fund invests in a diversified portfolio of publicly listed companies spread across the Middle East and North Africa (MENA) region. The fund follows an absolute return strategy employing a fundamental bottom up approach with a macro and technical overlay. The fund has a long bias but has the ability to implement shorts to generate returns. The fund is actively managed by a team of seasoned investment professionals that are based in the region the fund invests in. The fund was also recently mentioned in a Wall Street Journal survey featuring the strongest performing hedge funds globally over the last 5 years.

During the period ended 30 September 2019, Waha MENA Equity Fund has achieved the following:

- Fund size of US$ 430.4 million;
- YTD 2019 return of 21.37% (attributable to Owners of the Company); and
- Cumulative return of 170% since inception (Jan 2014).

Please remember that past performance is not a guide to future performance. The value of an investment and the income from it can fall as well as rise as a result of market and currency movement, and you may not get back the amount originally invested.

Private Investments

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

Private Investments reported total loss of AED (295.0) million and net loss attributable to owners of AED (614.3) million for the period 2019, compared to total income of AED 571.6 million and net profit attributable to owners of AED 272.6 million in 2018.

AerCap

AerCap, a NYSE listed company, is a global aircraft leasing company. It acquires aircraft from manufacturers, airline operators, other aircraft-leasing companies and financial investors to lease to commercial airlines and cargo operators.

During the period, the Group disposed 8.9 million shares equivalent to 6.2% stake in Aercap for a consideration of AED 1,595.8 million. Consequently, the Group's stake in Aercap reduced from 12.0% to 5.8%. Further, during the period, AerCap carried out a share buyback program, which the Group did not participate in. Consequently, the Group's beneficial ownership increased from 5.8% to 6.1%.

Waha Capital continues to retain two seats on AerCap's board of directors, as well as representations on the various board sub-committees.

The key highlights of AerCap for the period end 30 September 2019 were as follows:

- 271 aircraft transactions executed, as follows:
  - Signed lease agreements for 163 aircraft
  - Purchased 44 aircraft
  - Executed sale transactions for 64 aircraft
- Signed financing transactions for US$ 4.2 billion

The carrying value of AerCap was AED 1,577.8 million as at 30 September 2019.

NPS Holdings Limited and 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. The formation of NESR Corp as an operating entity was completed in June 2018, after the transaction was approved by the Securities and Exchange Commission in the United States and NESR shareholders.

NESR Corp 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 Corp consummated the 100% acquisition of: a) NPS Holdings Limited ("NPS") for a gross consideration of c. US$591 million and b) Gulf Energy S.A.O.C.("GES") for a gross consideration of c. US$289 million – aggregating total consideration of c. US$880 million.

NPS is a regional provider of products and services to the oil and gas industry in the Middle East, North Africa and Asia Pacific regions. NPS operates in twelve countries with the majority of its revenues derived from operations in KSA, Algeria, Qatar, UAE and Iraq. Its services include a broad suite of offerings that are essential in the drilling and completion of new oil and natural gas wells and in the remedial work on existing wells, both onshore and offshore. NPS provides an integrated service offering that includes: a) Well Services and Intervention, b) Drilling and Workover, and c) Wireline Logging and Testing. NPS effectively delivers this broad range of services by deploying one of the largest fleet of oilfield equipment among its regionally-based competitors, including cementing units, coiled tubing units, stimulation units, nitrogen units and oil and water well drilling rigs.

GES is a leading provider of high quality integrated oilfield service solutions in the MENA region. Building on its initial success, GES has expanded its service portfolio over the past 12 years and has evolved to provide a wide range of services throughout the oil and gas life cycle, including exploration, development, production enhancement, remedial work on existing wells, and site abandonment. GES 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. With recent international expansion, GES is one of the fastest growing oilfield service providers in the MENA region and has developed a footprint in Oman, KSA, Kuwait and Algeria.

The Group acquired a 20.62% equity stake in NPS for a total consideration of c. AED 282 million in June 2014. On November 12th 2017, the Group agreed to sell the entire investment in NPS. The transaction was concluded in June 2018 and resulted in total gain on disposal of AED 159.6 million and total consideration of AED 443.9 million, comprising cash proceeds of AED 245.5 million, 5.8% equity stake in NESR Corp and earn-out shares receivable of AED 17.3 million. The sale transaction took place in two stages, with the first stage exit (representing 4.68% stake) completed in December 2017 and the second stage exit (representing remaining 15.94% stake) completed in June 2018.

During 2018, the Group recognised gain on disposal of AED 109.4 million and total consideration of AED 329.7 million, comprising cash consideration of AED 130.6 million, 5.8% equity stake in NESR Corp. and earn-out shares receivable of AED 17.3 million. Consequent to issuance of earn-out shares, the Group's ownership increased to 6.3% at reporting date.

During the 6-month period ended 30 June 2019, NESR Corp reported the following:

- Reported revenue for the first half of 2019 is US$ 311.6 million, comprised of US$ 187.5 million from Production Services, US$ 124.1 million from Drilling & Evaluation Services;
- Reported EBITDA of US$ 82.2 million and net income of US$ 24.5 million;
- Cash flows of US$ 24.2 million generated from operating activities, cash flows of US$ 55.5 million utilized in investing activities and cash flows of US$ 76.1 generated from financing activities;
- Reported a net book value of property, plant and equipment as at 30 June 2019 of US$ 354 million.

The carrying value of NESR Corp was AED 177.7 million as at 30 September 2019.

Petronash

Founded in 2000, Petronash is a leading provider of modular wellsite packages, chemical injection systems and wellhead control systems to the oil and gas industry. Headquartered in Dubai, Petronash owns manufacturing facilities in Dubai, Dammam and Chennai. Petronash employs approximately 1,000 people worldwide, including more than 200 Engineers and R&D Personnel; and recently expanded its engineering facility in Chennai, India which also undertakes design, procurement, and R&D.

On 6th August 2018, the Group along with co-investors, entered into a subscription agreement to acquire up to 35% stake in Petronash for an upfront consideration of approximately AED 322.8 million. The transaction closed on 10 October 2018 which includes options, pursuant to which the Group can increase its ownership up to 50% in Petronash. The Group exercises joint control in Petronash through its shareholding agreement and representations on its Board and various committees.

During the period ended 30 September 2019, the Petronash Group Limited reported the following:

- Reported revenue of US$ 83.3 million; and
- Reported EBITDA of US$ 5.6 million.

The carrying value of Petronash was AED 295.8 million as at 30 September 2019.

Channel VAS

In September 2017, the Group along with co-investors, acquired a 20.0% stake in Dubai-based fintech firm Channel VAS at a consideration of AED 200.5 million. Incorporated in 2012, Channel VAS is a premium provider of fintech solutions for mobile network operators and financial institutions. Company offerings include Airtime Credit Services, Mobile Financial Services, Handset Loans, Value Added Services, Micro Cash Loans, Data Loans, etc.

The company is present in over 25 countries and has grown rapidly to provide over US$ 1,512.46 million airtime credits in the fiscal year 2018 compared with US$ 871 million in 2017. Channel VAS currently has access to over 500 million mobile subscribers, who utilize the Company's patented registered proprietary credit scoring and delivery service. The Company sees high potential for growth in what is currently a 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. A selected list of customers include Vodacom, Viettel, Umniah, Robi-Axiata, Ooredoo-Algeria, MTN, Mobily-Etisalat, Mobilink, Lyca Mobile, etc.

During the period ended 30 September 2019, Channel VAS reported the following performance:

- Revenue of AED 174.3 million, compared to AED 141.3 million in the corresponding period 2018;
- Paid dividends of AED 108.4 million from which AED 14.7 million pertained to financial year 2018, compared to the corresponding period in 2018 when dividend paid was AED 60.6 million of which AED 23.9 million pertained to financial year 2017.

The carrying value of Channel VAS was AED 170.6 million as at 30 September 2019.

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. It currently has with a current focus on sites in Egypt and Morocco. The investment in SDX has been classified as associate carried and measured at FVTPL.

The company was established in October 2015 through the merger of Toronto Stock Exchange-listed Sea Dragon Energy and privately-owned Madison PetroGas. In 2016, the company successfully obtained a dual-listing on the Alternative Investment Market (AIM) of the London Stock Exchange, raising US$11 million in the process. In January 2017, SDX Energy successfully acquired a portfolio of oil and gas production and exploration assets in Egypt and Morocco for a cash sum of US$30 million which increased the net production to c. 3,351 boe/d and working interest 2P reserves to 9.03 million boe. At 2018 year end, SDX Energy's portfolio comprised interests in 6 concessions – i) Egypt – NW Gemsa, ii) Egypt – Meseda, iii) Egypt – South Disouq, iv) Egypt – South Ramadan, v) Morocco – Sebou, and vi) Morocco – Lalla Mimouna Nord. On 7 February 2019, the company announced the award of two further licenses in Morocco: Moulay Bouchta Ouest and Lalla Mimouna Sud.

The operating environment in North Africa continues to present considerable opportunities for the firm. SDX Energy benefits from a portfolio of high margin producing assets, combined with high impact exploration prospects in Egypt and Morocco. The company intends to increase production and cash flow generation organically, through a fully funded and active work programme consisting of improvements made to existing fields and the development of new discovered resources. During 2019, the company plans to drill a series of high impact exploration and development wells across the portfolio, with the delivery of the South Disouq gas development expected by in Q4 2019.

During the 6-month period ended 30 June 2019, SDX Energy reported the following performance:

- Production of 3,539 boe/d an increase of 9% compared to corresponding period 2018;
- Net realized average oil price of US$ 57.44/barrel compared to US$ 61.97/barrel in corresponding period 2018;
- Net realized average Morocco gas price of US$ 10.28/mcf compared to US$ 10.27/mcf in corresponding period 2018;
- Revenue of US$ 25.4 million, compared to US$ 24.4 million in corresponding period 2018;
- Gross profit of US$ 18.5 million, compared to US$ 19.3 million in corresponding period 2018;
- Cash flow from operations of US$ 12.8 million, compared to US$ 20.3 million in corresponding period 2018;
- Invested US$ 19.3 million into capital expenditure,
- Cash balance of US$ 11.2 million at 30 June 2019, compared to US$ 25.2 million at 30 June 2018.

The carrying value of SDX Energy was AED 44.7 million as at 30 September 2019.

Deem Group

The Group owns a 26% stake in Deem Finance (previously named "Dunia Finance") and a 25% stake in Dunia Services (together "Deem Group").

Deem Finance (previously named "Dunia Finance") is a finance company regulated by the Central Bank of the U.A.E. and offers financial solutions including personal loans, credit cards, guarantees and deposits to its customers in the U.A.E. The performance of the company has come under pressure on account of increasing loan losses since 2016. The company serves predominantly the salaried mass market and mass affluent segments in the UAE and has grown the loan book from 2009 to 2017. The company has prudently reduced its loan book in 2018 and 2019 due to the prevailing macro environment.

During the nine-month period ended 30 September 2019, Waha injected capital of AED 87.5 million in Deem Finance (previously named "Dunia Finance").

Dunia Services was established in 2012 under the Dubai Technology and Media Free Zone Authority. Dunia Services' principal activity is to offer business process outsourcing services primarily to Deem Finance (previously named "Dunia Finance").

The carrying value of Deem Group was AED 75.8 million as at 30 September 2019.

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. The project is located in Al Dhafra, approximately 35 km from central Abu Dhabi, and is well located to access the multi-modal industrial and logistics infrastructure (land, sea, air, and future rail) of the UAE The ALMARKAZ development is on a 6 km^2 area of land, which was granted by the Government of Abu Dhabi.

Phase 1 of the project comprise of 25% of the total land area (1.5 km^2). Stage 1 of Phase 1 involved the construction of roads and services infrastructure for the 1.5 km^2 of land and 90,000 m^2 of small industrial units (SIUs). The SIUs are fully leased out with a range of tenants, both local and international from diverse industry segments such as oil & gas, manufacturing, defense, logistics, contracting, F&B.

In June 2016, Waha Land signed a AED 426 million financing with a local bank for further development of Phase 1 within ALMARKAZ, following the successful leasing of existing facilities. This expansion, called Stage 2, will add 187,000 m^2 of premium industrial and logistics facilities and will also include retail and commercial amenities to enhance the business park experience of ALMARKAZ. Stage 2 is being constructed in two packages (2a & 2b), with the initial Stage 2a consisting of 92,500 m^2 of built up area.

The construction of Stage 2a industrial units were completed in 2018 and the initial batch of tenants have commenced operations from the newly handed over units. The Stage 2 Industrial assets consists flexible industrial buildings, ready to occupy units, warehouses/storage facilities. During 2019, construction works commenced on adding retail facilities and amenities like mosque, security center to serve the expanding working population at ALMARKAZ. This expansion is in line with the Waha Land's underlying ethos to execute a consistent and disciplined investment approach with emphasis on flexible assets to suit a variety of uses and support a diverse range of tenants and industry segments.

Waha Land's growth strategy with respect to ALMARKAZ is focused on continuing to grow and diversify its tenant base, developing new products and services for its existing and prospective tenants, and providing exceptional services with the ultimate aim of meeting the needs of UAE SMEs as well as manufacturing and logistics players.

During the period ended 30 September 2019, Waha Land reported:

- Rental revenue and other income of AED 22.9 million (YTD Sep 2018: AED 24.6 million);
- Net Profit of AED 5.3 million (YTD Sep 2018: AED 11.4 million) before fair value adjustment; and
- Fair value downward adjustment of AED 33.0m (YTD Sep 2018: nil).

The carrying value of investment property was AED 733.6 million as at 30 September 2019.

MENA Infrastructure Fund

MENA Infrastructure Fund (the "Fund") was launched in 2007 as a private equity fund that invests in infrastructure development projects across MENA with a total capital commitment of AED 1,103.4 million (US$ 300 million) from its Limited Partners ("LP").

The Group originally committed to fund AED 197.7 million (17.9% of total commitment) as an LP and held a 33.3% stake in the General Partners ("GP").

Since inception, the Fund has invested US$ 223.6 million in four projects:

a) Alexandria International Container Terminals (AICT): Held concession to operate and maintain two container terminals in Egypt. The Fund's ownership in the project was 30.3%. The investment was exited in first quarter of 2016.
b) Qurayyah Independent Power Project (IPP): Owns and operates a 3.9GW gas-fired IPP in KSA in partnership with ACWA Power and Samsung C&T. The Fund's ownership in the project is 15.0%.
c) United Power Company (UPC): Owned and operated a 270MW single-cycle gas-fired Manah IPP in Oman. The Fund's ownership in the project was 38.1%. The investment was exited in first quarter of 2016.
d) Sohar Power Company: Owns and operates a 585MW of combined-cycle gas-fired power generation and 150,000m^3 of water desalination capacity in Oman. The Fund's ownership in the project is 20.0%.

In 2016, the Fund successfully exited from AICT and UPC for which Waha Capital received gross distributions of AED 81.8 million including dividend and capital repayment.

The Fund's dividend yield is c. 5.2%. The Group invested a total of AED 167.3 million (US$ 45.6 million) for its LP (17.9%) and GP (33.3%) stakes, and received c. AED 162.5 million in distributions.

As at 30 September 2019, the Group carried its LP stake in the Fund at AED 50.1 million.

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Anglo Arabian Healthcare

The Group owns 96% stake in a UAE healthcare provider, Anglo Arabian Healthcare (AAH), that focuses on owning and operating hospitals, clinics and pharmacies. The group was established to deliver healthcare services throughout the UAE, and today is one of the largest healthcare provider networks in the country. AAH currently owns and operates 27 business assets, employs more than 900 people and serves over 800,000 registered outpatients. Operating assets consist of 17 clinics, 7 pharmacies, 1 diagnostics centre, 1 medical education provider and 1 hospital. The hospital, based in the emirate of Ajman, was a significant milestone in the development of AAH and has an inpatient capacity of approximately 10,000 per annum.

The company employs a 'buy and build' strategy, supplementing acquisitions with strategic greenfield projects to ensure optimal patient flows and service coverage. This strategy includes pursuing an opportunistic mix of greenfield projects and acquisitions, and implementing a hub-and-spoke model across primary care, secondary care and diagnostics to retain patient revenue within the group. Brands within the Anglo Arabian Healthcare network include Amina Hospitals, Ibin Sina Medical Centre, HealthBay, Sharjah Corniche Hospital, Oras Medical Centre and Orchid IVF Centre.

AAH is well-positioned to capitalize on regulatory and consumption trends which have been implemented in recent years in the UAE, including the potential introduction of mandatory insurance in the Northern Emirates, and increased demand for specialty services.

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 124.7 million.

During the period ended 30 September 2019, AAH has achieved the following:

- Consolidated revenue of AED 221.6 million, compared to AED 188.4 million in the corresponding period in 2018;
- Consolidated revenue is comprised of AED 59.2 million (2018: AED 42.2 million) from laboratory services, AED 130.5 million (2018: AED 115.9 million) from patient fees and AED 31.9 million (2018: AED 30.3 million) from sale of pharmaceuticals and others; and
- Shareholders' equity base attributable to owners of AED 168.1 million as at 30 September 2019 compared to AED 199.8 million as at 31 December 2018.

The Group's carrying value of AAH's net assets was AED 159.9 million as at 30 September 2019.

OUTLOOK

The first nine-month period ended 30 September 2019 experienced significant market volatility as the global economy adjusts to lower growth and normalised interest rate environment.

Despite challenging and difficult market and operating conditions, Waha Capital remains resilient to execute its overarching objective of optimizing returns to shareholders.

Waha Capital's strategy is focused on two main areas:

- The Asset Management business continues to grow and has set targets to increase assets under management through actively marketing its flagship funds to third party institutional investors, while maintaining strong fund performance.
- The Private Investment business continues to rebalance and build a targeted diversified portfolio primarily in the energy and financial services sectors, while maximising liquidity and cash yields.

Waha Capital is well positioned to build on its strong track record and financial strength to continue to deliver attractive returns for the years to come.

Amr Al Menhali
Chief Excutive Officer, Al Waha Capital PJSC
7 November 2019