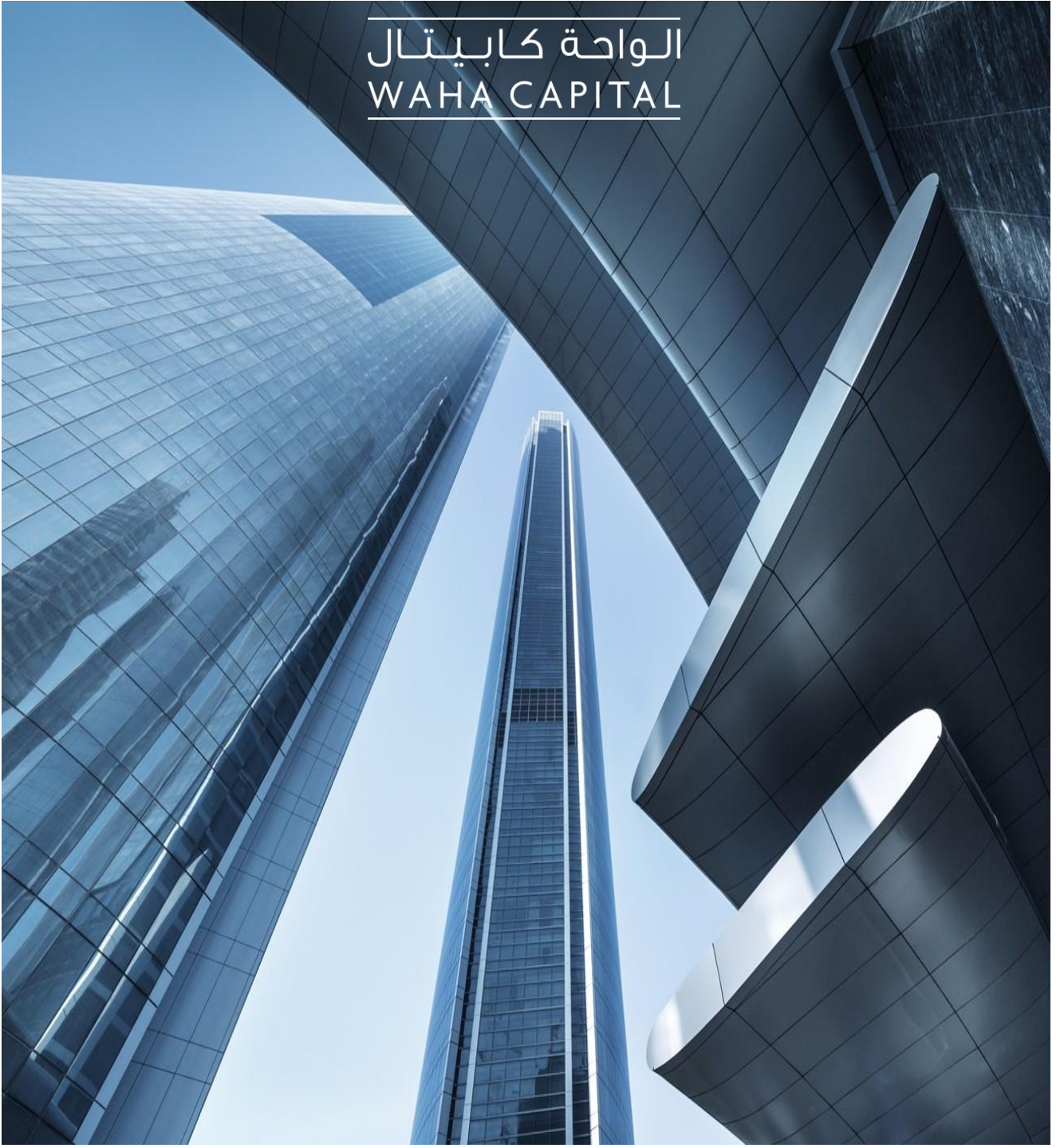


الواحة كابيتال
WAHA CAPITAL



Management discussion and analysis for the period ended 31 March 2023

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 75.0 million for the period ended 31 March 2023 compared to AED 146.6 million for the corresponding period of 2022.

KEY ACTIVITIES DURING THE PERIOD

The following key activities occurred during the period:

- Public Markets total assets under management reached AED 6.9 billion (USD 1.9 billion) as of 31 March 2023 compared to AED 4.8 billion (USD 1.3 billion) as of 31 December 2022, an increase of 46%. Within this figure, assets under management attributable to Owners of the Company were AED 3.0 billion as of 31 March 2023 in line with 31 December 2022.
- The period to date returns from funds managed by the Group were: Waha CEEMEA Credit Fund SP of 2.7% (net), Waha MENA Equity Fund SP of 4.6% (net) and Waha Islamic Income Fund SP of 1.8% (gross).
- Private Investment assets under management (including Waha Land) remained at AED 1.6 billion as of 31 March 2023 in line with 31 December 2022.

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

	2023	2022
Revenue from sale of goods and services	36,036	26,680
Cost of sale of goods and services	(26,630)	(21,436)
Share of profit from equity-accounted associates and joint ventures, net	428	2,683
Income from financial investments, net	219,540	257,668
Income from investment property, net	11,686	12,142
Other income, net	695	491
Net operating income	241,755	278,228
General and administrative expenses – company	(48,583)	(34,823)
General and administrative expenses – subsidiaries	(13,566)	(12,157)
Finance cost, net	(31,919)	(25,737)
Total expenses	(94,068)	(72,717)
Profit for the period from continuing operations	147,687	205,511
Discontinued operations		
Loss from discontinued operations	-	(5,422)
Loss for the period from discontinued operations	-	(5,422)
Profit for the period	147,687	200,089
Non-controlling interests	(72,732)	(53,465)
Profit attributable to owners of the Company	74,955	146,624
Basic and diluted earnings per share (AED)	0.040	0.078
Basic and diluted earnings per share from continuing operations attributable to the Owners of the Company (AED)	0.040	0.081

Net operating income

Three-month period ended 31 March 2023

Net operating income of AED 241.8 million for the three-month period ended 31 March 2023, compared to AED 278.2 million for the corresponding period of 2022, was driven by the following:

- Public Markets income of AED 238.4 million compared AED 223.7 million in 2022 due to continued strong performance despite the market headwinds;
- Private Investments loss of AED 8.4 million compared to income of AED 41.9 million in 2022 mainly due to mark to market movements on the financial investments; and
- Waha Land income of AED 11.8 million compared to AED 12.6 million in 2022.

Total expenses

Three-month period ended 31 March 2023

Total expenses for the three-month period ended 31 March 2023 was AED 94.1 million, compared to AED 72.7 million in 2022, mainly comprised of:

- General and administrative expenses - company, amounting to AED 48.6 million compared to AED 34.8 million for the corresponding period of 2022, mainly due to a prior year reversal of AED 13.3 million within the 2022 figure;
- General and administrative expenses - subsidiaries, amounting to AED 13.6 million compared to AED 12.2 million for the corresponding period of 2022, an increase of AED 1.4 million due to higher professional expenses;
- Finance costs, net - company, amounting to AED 27.5 million, compared to AED 15.1 million in the corresponding period of 2022 due to increase in interest rates; and
- Finance costs, net - subsidiaries, amounting to AED 4.4 million, compared to AED 10.6 million in the corresponding period of 2022, a decrease of AED 6.2 million mainly due to higher interest income from funds.

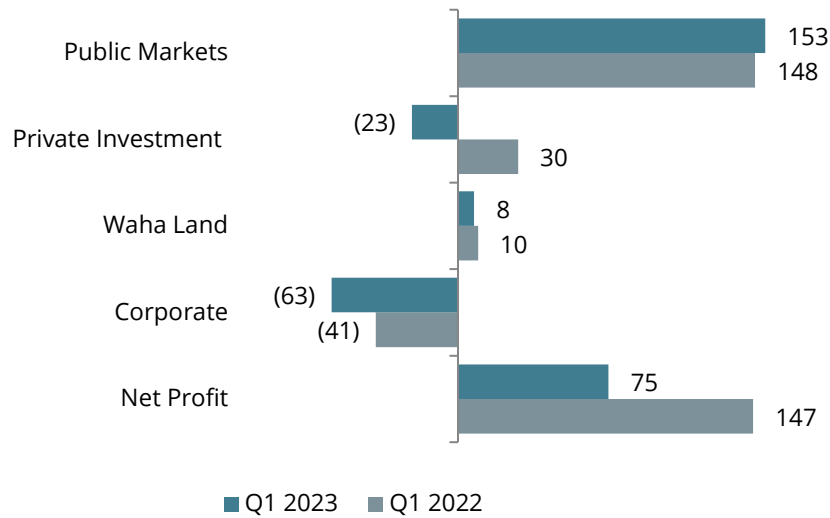
Net profit attributable to owners of the Company

Three-month period ended 31 March 2023

Net profit of AED 75.0 million for the three-month period ended 31 March 2023, compared to AED 146.6 million for the corresponding period of 2022, was mainly driven by the following:

- Public Markets profit of AED 153.1 million compared to AED 147.5 million in 2022;
- Private Investments loss of AED 22.9 million compared to a profit of AED 29.8 million in 2022;
- Waha Land profit of AED 7.7 million compared to AED 10.1 million in 2022; and
- Finance and other corporate costs of AED 62.8 million compared to AED 40.8 million in 2022.

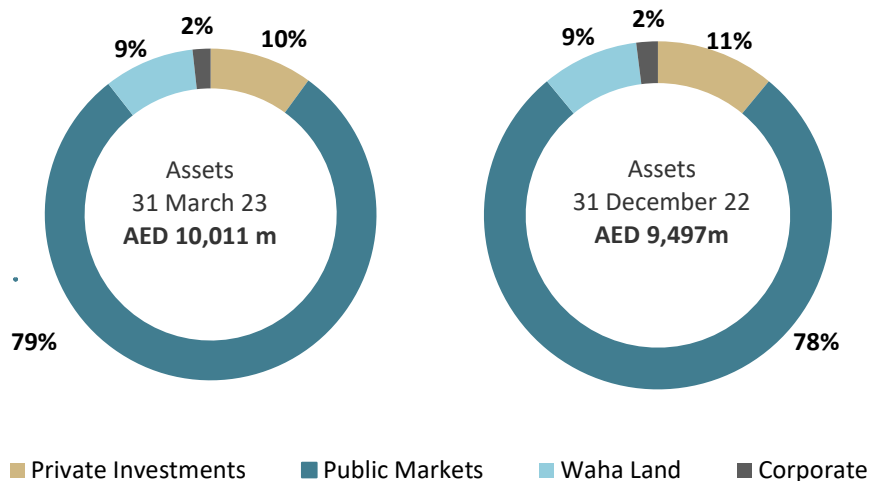
Net profit by segment attributable to owners of the Company (AED million)



Summary balance sheet (AED '000)

	As at 31-Mar-23	As at 31-Dec-22
Investments in equity accounted associates and joint ventures	95,933	95,505
Right-of-use assets	32,301	35,245
Investment property	317,180	282,232
Financial investments	7,326,898	6,873,932
Loan investments	40,786	40,749
Other assets	869,216	905,489
Cash and bank balances	861,480	797,349
Assets held for sale	466,940	466,940
Total assets	10,010,734	9,497,441
Borrowings	3,914,353	3,585,715
Derivative liabilities	54,810	72,644
Lease liabilities	32,489	34,368
Trade and other liabilities	493,187	475,768
Total liabilities	4,494,839	4,168,495
Total equity	5,515,895	5,328,946
Total liabilities and equity	10,010,734	9,497,441

Total assets composition (AED million)



The Group's total assets of AED 10,010.7 million as of 31 March 2023, compared to AED 9,497.4 million as of 31 December 2022, an increase of AED 513.3 million and mainly comprised of:

- Investments in equity accounted associates and joint ventures of AED 95.9 million compared to AED 95.5 million in 2022, an increase of AED 0.4 million.
- Financial investments of AED 7,326.9 million compared to AED 6,873.9 million for the corresponding period of 2022, an increase of AED 453.0 million, mainly due to net increase of AED 481.0 million in public market funds offset by net decrease of AED 28.0 million from private investments.
- Cash and bank balances of AED 861.5 million compared to AED 797.3 million in 2022, an increase of AED 64.2 million, mainly includes the following cash flows:
 - Contributions from non-controlling interest holders of AED 193.5 million and decrease in working capital of AED 59.4 million due to partial sale of subsidiary.
 - This is offset by dividends paid of AED 150.7 million and payments for development of properties of AED 34.9 million.

The Group's total liabilities of AED 4,494.8 million as of 31 March 2023 compared to AED 4,168.5 million as of 31 December 2022, an increase of AED 326.3 million, comprised of:

- Borrowings of AED 3,914.4 million compared to AED 3,585.7 million as of 31 December 2022, an increase of AED 328.7 million;
 - Corporate: RCF outstanding stood at AED 1,293.0 million as of 31 March 2023 compared to AED 1,291.3 million as at 31 December 2022
 - Subsidiaries: Outstanding borrowings of AED 2,621.4 million as of 31 March 2023 compared to AED 2,294.4 million mainly represents increase in repurchase liabilities related to public market funds of AED 317.0 million.

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 business (operated by Waha Investments PrJSC, a wholly owned subsidiary) focuses on applying rigorous analysis to emerging markets to deliver solid returns over a market cycle on behalf of the Group and external investors. All the funds under Waha Investment's management continue to outperform their benchmarks, despite the challenging macro-economic conditions impacting markets around the world.

Since inception of Waha Investment's 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 (US\$ 25 million) was launched in Q3 2020 to invest in Sharia compliant assets across the Sukuk and equity markets.

During the quarter, Waha Investment was mandated to manage an AED 1.8 billion (US\$ 500 million) fund for an institutional client, bringing total AUM to AED 6.9 billion (US\$ 1.9 billion).

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

Waha Investment's managed funds' period to date returns on invested capital were:

- Waha CEEMEA Credit Fund SP of 2.7% (net) on a fund size of AED 2.06 billion (US\$ 561.3 million).
- Waha MENA Equity Fund SP of 4.6% (net) on a fund size of AED 2.84 billion (US\$ 772.4 million).
- Waha Islamic Income Fund SP of 1.8% (gross) on a fund size of AED 0.17 billion (US\$ 45.7 million).

Private Investments

The Private Investments business commenced a multi-asset investment strategy 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. The net carrying value of the Global opportunities portfolio as of 31 March 2023 was AED 507 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. The net carrying value of the Core portfolio as of 31 March 2023 was AED 56 million.

The Legacy portfolio consists of the Company's existing mature investments with the goal of assessing potential monetisation options. In 2022, the business commenced the implementation of the multi-year strategy to maximize shareholder value across this portfolio. The net carrying value of the legacy portfolio as of 31 March 2023 was AED 352 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 period ended 31 March 2023, Waha Land reported total income of AED 11.8 million (2022: AED 12.6 million).

The net carrying value was AED 719 million as of 31 March 2023, 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 profitable quarter. 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 2023. The growth strategy for the Private Investments business has 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 Khalfan Al Dhaheri

Vice Chairman, Al Waha Capital PJSC

11 May 2023