

WAHA CAPITAL

Management discussion and analysis for the
year ended 31 December 2024

Al Waha Capital PJSC (“the Company”) and its subsidiaries (together referred to as “the Group”) reported net profit attributable to equity holders of the parent of AED 381.3 million for the year ended 31 December 2024 compared to AED 440.1 million for the corresponding period of 2023.

KEY ACTIVITIES DURING THE YEAR

The following key activities occurred during the year:

- Public Markets (operated by Waha Investment PrJSC) total assets under management reached AED 10.3 billion (USD 2.8 billion) as of 31 December 2024 compared to AED 8.8 billion (USD 2.4 billion) as of 31 December 2023, an increase of 17%. Within this figure, assets under management attributable to equity holders of the parent were AED 3.4 billion as of 31 December 2024 and AED 3.3 billion at 31 December 2023.
- The year to date returns from funds managed by the Group were: Waha Emerging Markets Credit Fund SP 18.4% (net), Waha MENA Equity Fund SP 1.2% (net) and Waha Islamic Income Fund SP 6.0% (net).
- Private Investment assets under management (including Waha Land) stood at AED 1.5 billion as of 31 December 2024 compared to AED 1.6 billion as of 31 December 2023.

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

	2024	2023
Revenue from sale of goods and services	150,111	140,433
Cost of sale of goods and services	(113,340)	(107,456)
Share of profit from investment in associates and joint ventures, net	21,357	5,059
Gain on disposal of investment in associates and joint ventures	68,018	5,021
Income from financial investments, net	940,960	1,089,438
Income from investment property, net	69,339	59,790
Other income, net	39,207	30,116
Net operating income	1,175,652	1,222,401
General and administrative expenses – company	(88,724)	(91,733)
General and administrative expenses – subsidiaries	(174,808)	(167,917)
Finance cost, net	(232,370)	(191,675)
Total expenses	(495,902)	(398,961)
Profit before tax	679,750	823,440
Tax expense	(313)	(3,286)
Profit for the year	679,437	820,154
Non-controlling interests	(298,160)	(380,052)
Profit attributable to equity holders of the parent	381,277	440,102
Basic and diluted earnings per share (AED)	0.206	0.234

NET OPERATING INCOME

Year ended 31 December 2024

Net operating income of AED 1,175.7 million for the year ended 31 December 2024, compared to AED 1,222.4 million for the corresponding period of 2023, was driven by the following:

- Public Markets income of AED 936.9 million compared to AED 1,162.6 million in 2023 showing strong performance driven by fee income and increase in assets under management despite challenging market conditions
- Private Investments income of AED 157.7 million compared to a loss of AED 1.2 million in YTD 2023 mainly due:
 - Gross profit from healthcare business of AED 36.8 million (YTD 2023: AED 33.0 million)
 - Gain on disposal of investment in associates and joint ventures of AED 68 million (YTD 2023: AED 5.0 million)
 - Share of profit from equity accounted investments of AED 21.4 million (YTD 2023: AED 5.1 million)
 - Income from financial investments of AED 24.8 million (YTD 2023: loss of AED 44.9 million)
 - Other income of AED 6.7 million (YTD 2023: AED 0.5 million)
- Waha Land income of AED 67.9 million compared to AED 61.0 million in YTD 2023
- Corporate other income of AED 13.2 million from legacy investments (YTD 2023: nil)

TOTAL EXPENSE ANALYSIS

Year ended 31 December 2024

Total expenses for the year ended 31 December 2024 was AED 495.9 million compared to AED 399.0 million in 2023, mainly comprised of:

- General and administrative expenses - company, amounting to AED 88.7 million compared to AED 91.7 million for the corresponding period of 2024, a decrease of AED 3.0 million mainly due to no provision for doubtful debts in current period (2023: AED 4.7 million) offset by an increase of legal and other professional fees;
- General and administrative expenses – subsidiaries, amounting to AED 174.8 million compared with AED 167.9 million for the corresponding period of 2023 million mainly due to higher legal and professional expenses in the Public Market Funds by 12.5 million;
- Finance costs, net - company, amounting to AED 98.8 million, compared to AED 118.3 million in the corresponding period of 2023, a decrease of AED 19.5 million mainly due to decrease in interest rates and lower utilisation; and
- Finance costs, net - subsidiaries, amounting to AED 133.6 million compared to AED 21.0 million in the corresponding period of 2023, an increase of AED 112.6 million, mainly due to higher utilisation of repurchase liabilities for public market funds business.

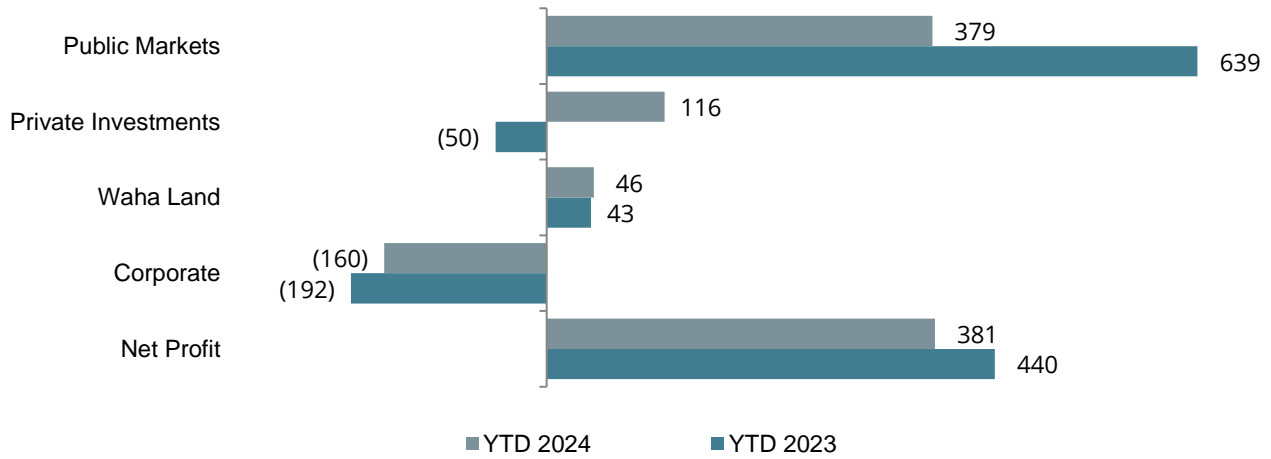
NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

Year ended 31 December 2024

Net profit attributable to equity holders of the parent of AED 381.3 million for the year ended 31 December 2024, compared to a net profit of AED 440.1 million for the corresponding period of 2023, was mainly driven by the following:

- Public Markets profit of AED 378.8 million compared to AED 639.1 million in 2023;
- Private Investments profit of AED 115.7 million compared to loss of AED 50.3 million in 2023;
- Waha Land profit of AED 46.2 million compared to AED 43.6 million in 2023; and
- Finance and other corporate costs of AED 159.4 million compared to AED 192.3 million in 2023.

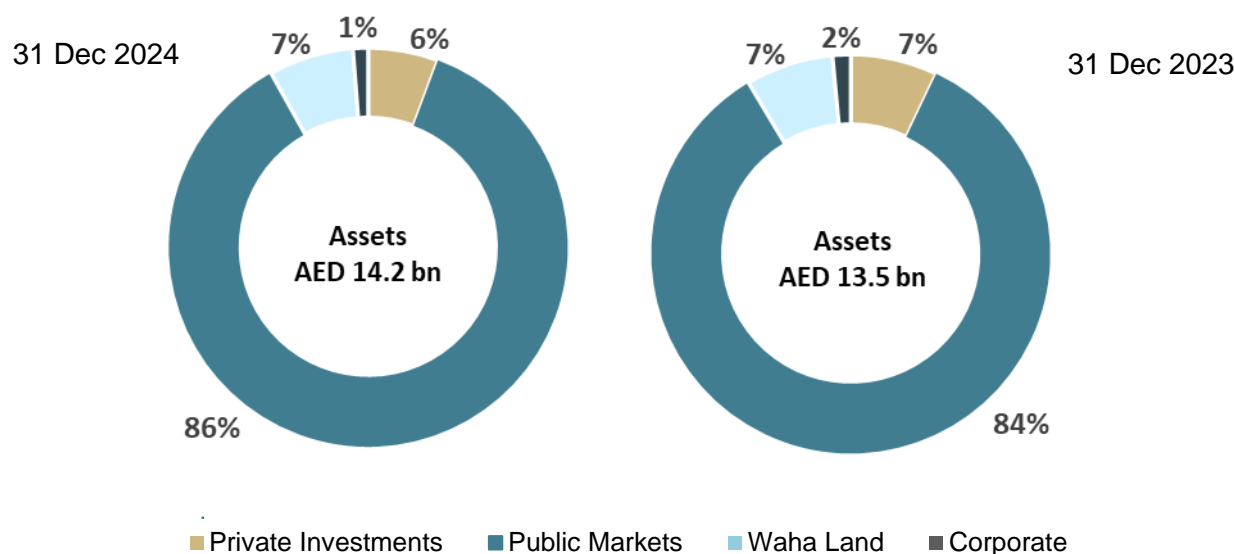
Net profit by segment attributable to Equity Holders of the Parent (AED million)



Summary Balance Sheet (AED '000)

	As at 31-Dec-24	As at 31-Dec-23
Investments in associates and joint ventures	95,246	88,313
Right-of-use assets	42,743	23,431
Investment properties	434,200	413,450
Financial investments	10,272,592	8,652,900
Loan investments	52,699	46,340
Other assets	1,949,462	2,980,991
Cash and bank balances	901,393	866,942
Assets Held For Sale	468,515	468,515
Total assets	14,216,850	13,540,882
Borrowings	5,373,263	5,955,844
Financial liabilities	229,698	218,866
Deferred tax liability	3,286	3,286
Lease liabilities	41,085	21,420
Trade and other liabilities	307,600	672,351
Total liabilities	5,954,932	6,871,767
Total equity	8,261,918	6,669,115
Total liabilities and equity	14,216,850	13,540,882

Total assets composition (AED million)



The Group's total assets of AED 14,216.9 million as at 31 December 2024, compared to AED 13,540.9 million as at 31 December 2023, an increase of 5.0% and mainly comprised of:

- Financial investments** of AED 10,272.6 million compared to AED 8,652.9 million in 2023, an increase of AED 1,619.7 million, mainly due to net increase of AED 1,862.1 million in public market funds offset by net decrease of AED 252.0 million from private investments.
- Other assets** of AED 1,949.5 million as at 31 December 2024 compared to AED 2,981.0 million as at 31 December 2023, a decrease of AED 1,031.5 million mainly due to decrease in receivables of public market funds due from brokers on settlement of trades.
- Cash and bank balances** of AED 901.4 million compared to AED 866.9 million in 2023, an increase of AED 34.5 million mainly due to:
 - Contributions from non-controlling interest holders of AED 1,095.2 million from new investments in Public Market funds, dividends received of AED 190.1 million, interest received of AED 320.4 million and increase in working capital of AED 840.4 million mainly from the trading activities in the from public market funds; offset by
 - Investment into financial assets AED 1,202.6 million, payment of dividends AED 188.4 million, finance costs paid of AED 307.6 million and decrease in repurchase liabilities related to public market funds of AED 414.6 million and other borrowings of AED 162.0 million.

The Group's total liabilities of AED 5,954.9 million as at 31 December 2024 compared to AED 6,871.8 million as at 31 December 2023, a decrease of AED 916.9 million, comprised of:

- Borrowings** of AED 5,373.3 million compared to AED 5,955.8 million as at 31 December 2023, a decrease of AED 582.5 million:
 - Corporate: RCF outstanding stood at AED 1,144.3 million as of 31 December 2024 compared to AED 1,297.9 million as at 31 December 2023 the decrease was mainly due to repayment of AED 147.1 million
 - Subsidiaries: Outstanding borrowings of AED 4,229.0 million as of 31 December 2024 compared to AED 4,657.9 million mainly represents decrease in repurchase liabilities related to public market funds.
- Trade and other liabilities** of AED 307.6 million compared to AED 672.4 million as at 31 December 2023, a decrease of AED 364.8 million mainly represents decrease in payables of public market funds due to brokers on settlement of trades and decrease in interest payable accrued.

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 Investment 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 perform well, 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 Emerging Markets Credit Fund SP and the Waha MENA Equity Fund SP. 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.

Total Waha Investment AUM as at 31 December 2024 stands at AED 10.3 billion (US\$ 2.8 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' year to date returns on invested capital were:

- Waha Emerging Markets Credit Fund SP of 18.4% (net) on a fund size of AED 3.82 billion (US\$ 1,039.3 million)
- Waha MENA Equity Fund SP of 1.2% (net) on a fund size of AED 3.64 billion (US\$ 990.7 million)
- Waha Islamic Income Fund SP of 6.0% (net) on a fund size of AED 0.22 billion (US\$ 59.7 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 asset classes with high risk-adjusted returns. The net carrying value of the Global opportunities portfolio as at 31 December 2024 was AED 363.7 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 Mature portfolio consists of the Company's existing mature investments with the goal of assessing potential monetisation options. In 2023, the business commenced the implementation of the multi-year strategy to maximize shareholder value across this portfolio. During the year, the company successfully divested its holding in Despegar.com. The net carrying value of the mature portfolio as at 31 December 2024 was AED 226.8 million.

Waha Land

The Waha Land business develops and leases industrial and logistics facilities at ALMARKAZ in Abu Dhabi's Al Dhafra region, strategically leveraging the UAE's expanding industrial infrastructure, to grow its institutional-grade assets and contribute to portfolio diversification and long-term value creation.

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 assets are fully leased out, home to more than 100 tenants, both local and international entities, from diverse industry segments such as Oil & Gas, Manufacturing, Defence, Logistics, IT, Contracting and F&B.

Stage 2B expansion, which adds circa 75,000 m² of premium industrial/logistics leasable footprint to the asset portfolio. Leasing commenced in Q1 2024 and has reached 40% occupancy as on date. In coming quarters, Waha Land expects to embark on an expansion path, launching Stage 3 of ALMARKAZ, adding modern Industrial and Logistics assets to the portfolio. This is in line with Waha Land's underlying ethos to execute a consistent, disciplined investment approach with emphasis on developing 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 will be focused on continuing to grow the leasable portfolio, developing new products and services for UAE's Industrial/Logistics market, while exploring opportunities to optimise value by re-cycling capital from existing stabilized assets through appropriate partnerships and instruments for monetization.

During the year ended 31 December 2024, Waha Land reported total income of AED 67.9 million (2023: AED 61.0 million).

The carrying value of investment property was AED 902.7 million as of 31 December 2024, including AED 468.5 million classified as held for sale.

OUTLOOK

Despite the ongoing global market and geopolitical headwinds, Waha Capital delivered strong results, demonstrating resilience and strategic agility. Waha Investment and our public market funds continued to attract robust interest from global institutional investors, reflecting the strength of our track record. This resulted in significant inflows of third-party capital into our funds, further bolstering our recurring fee income.

Our Private Investments business, continued to offer diversification to our investors, strengthened by mark-to-market gains on our portfolio assets. Additionally, Waha Land continued to generate strong and stable rental income, further contributing to our financial stability.

Looking ahead, we remain committed to providing investors with ongoing diversification opportunities while unlocking further value for our shareholders. Our focus will remain on sustaining this momentum, ensuring that we continue to deliver long-term value through prudent investment strategies and the execution of our growth initiatives.

Mohamed Hussain Al Nowais
Managing Director, Al Waha Capital PJSC
14 February 2025