



International Holding Company PJSC

Management Discussion & Analysis Report – 2021

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Executive Summary and Overview









Abu Dhabi headquartered International Holding Company (ADX: IHC), one of the GCC's most valuable holding companies, registered a solid growth in 2021. The Company, along with its subsidiaries collectively referred to as the Group, continued its robust growth strategy in 2021 through strategic acquisitions that are aligned with its long-term strategy to become the iconic diversified asset holding company in the region.

Powered by an ambitious growth strategy, which includes identifying and acquiring potential-growth businesses, IHC's leadership and teams have delivered yet another stellar end of year result in 2021, where Group Revenue rose to AED28.56 billion and Profit reached AED11.58 billion – a significant rise of 305% and 284% respectively, when compared to 2020.

IHC PJSC is a principal investment holding company with presence in the Middle East, Europe, and the United States. With its extremely thorough due diligence, IHC continues to work toward boosting innovation, sustainability, community development and economic growth throughout the markets in which it operates via tactical acquisitions of future-ready businesses.

In-sync with Abu Dhabi's Economic Vision 2030, IHC is also aligned with the UAE's 50-year development plans by participating and contributing to a multitude of industries around their future readiness, creativity, resilience and digital transformation. By the end of 2021, IHC had 302 subsidiaries, 14 associates and 9 joint ventures in diversified businesses, including food processing and distribution, real estate, investments, new technologies, healthcare, education, leisure, entertainment, industry services, and motorcycle rentals, among others. Following is the overview of IHC's listed portfolio:

SN	Group Name	Business Description	Logo
1	Alpha Dhabi Holding PJSC	Alpha Dhabi Holding is an industry leader with a portfolio of diverse and fast-growing businesses in construction, healthcare, hospitality, industries and investments.	
2	Multiply Group PJSC	A tech-focused holding company with a wide international presence across five industries that include media and communications, utilities, ventures, wellness and beauty, and digital economy.	
3	Ghitha Holding PrJSC	Ghitha Holding, rebranded from Zee Stores, is one of the top firms specializing in trading food and non-food products, including importing, re-packaging of frozen, processed and fresh food products, household items, cosmetics, among other things.	
4	ESG Emirates Stallions Group PrJSC	Emirates Stallions Group has a diversified portfolio across investment, construction and real estate sectors spanning six industries, and across more than 20 countries.	
5	Al Seer Marine Supplies & Equipment PrJSC	Al Seer Marine is the leading marine company in the Arabian Gulf maritime region, with a portfolio of services that caters to all needs of boat owners, managers, as well international cargo.	
6	Q Holding PrJSC	Q Holding is among the leading general investment companies engaged in real estate development, real estate project management, along with property and asset management.	

Executive Summary and Overview



SN	Group Name	Business Description	Logo
7	Easy Lease Motorcycle Rental PrJSC	Easy Lease provides turnkey, ready-to-go leasing solutions for motorcycle fleet, catering to the needs of restaurants, delivery companies and ecommerce enterprises involved in 'last mile' delivery and technology.	
8	Palms Sports PrJSC	UAE-based Palms Sports PJSC promotes niche sporting activities with a specific focus on Jiu-Jitsu and martial arts amongst UAE nationals, and throughout primary and secondary education, the army and police.	
9	Companies in Private Domain/ Funds	IHC has investments in various private domain companies such as International Securities, Tamouh Healthcare, Afkar, and others, in addition to investments in funds like SpaceX, ONT, Sinnovation and more.	

Financial Performance for 2021



IHC has consistently achieved sustainable, yet exponential growth since the company transformed into an investment holding company. IHC's strategic local and international acquisitions have continued to strengthen the conglomerate's financials ensuring minimal impact and prospering during the global volatility of the pandemic. The company posted record historic high annual Revenue in 2021, driven by business acquisitions and mergers, implementing innovative growth planning in existing verticals and new strategic local and international investments.

During the 12-month period ended on December 31, 2021, IHC reported Revenues of AED28.56 billion and a Profit of AED11.57 billion, as against Revenue of AED7.04 billion and Profit of AED3.01 billion in 2020. Year-on-year Revenue and Profit increased by 305% and 284%, respectively.

IHC's increase in FY21 financial performance is driven by a significant increase in consumer goods demand, economic recovery post-Covid, new income sources from healthcare, and excellent performance by all other operational assets. IHC's acquisition and consolidation-based strategy has built a robust growth platform which focuses on enhancing operational capabilities creating substantial value for the shareholders.

Abridged Income Statement

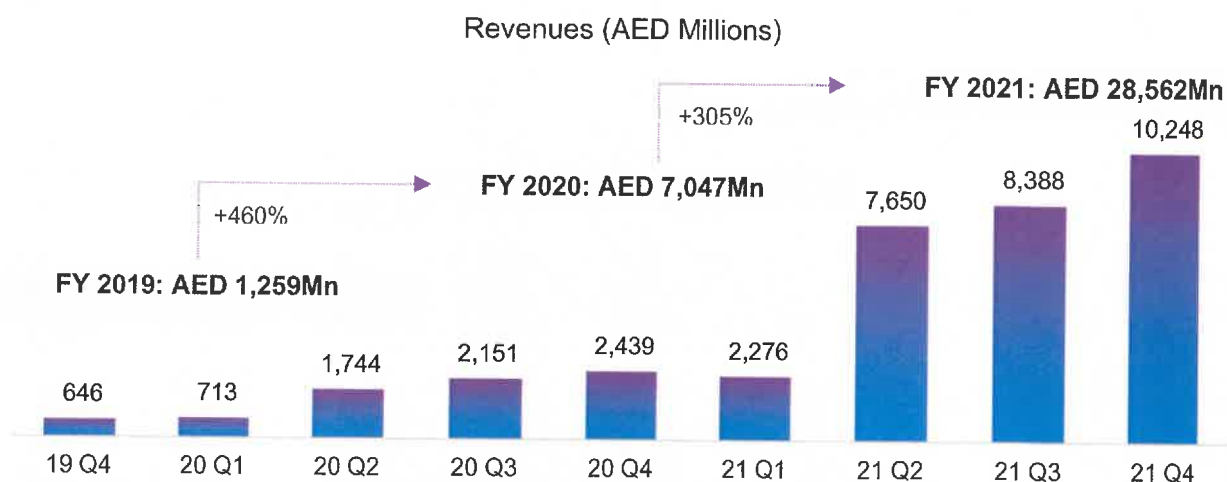
AED (in Millions)	FY 21	FY 20	Absolute Growth	% Growth
Revenue	28,562	7,047	21,516	305%
COGS	(18,395)	(4,615)	13,780	299%
Gross Profit	10,167	2,431	7,736	318%
SG&A	(2,373)	(524)	1,849	353%
Operational Profit	7,794	1,907	5,887	309%
EBITDA	12,631	3,304	9,326	282%
Net Profit	11,577	3,015	8,563	284%
<i>GP Margin</i>	36%	35%	1%	
<i>Operational Profit</i>	27%	27%	0%	
<i>EBITDA Margin</i>	44%	47%	-3%	
<i>Net Profit</i>	41%	43%	-2%	
<i>Earnings Per Share</i>	4.03	1.58	2.45	

Financial Performance for 2021



1. Revenue Growth

IHC's Revenue grew by ~305% in FY21 as against FY20. The corresponding growth for the FY20 was ~460% as against FY19. Top Revenue contributors include Alpha Dhabi, which contributed around 63% of the total Revenue for the financial year 2021, followed by other listed groups and companies in the private domain.



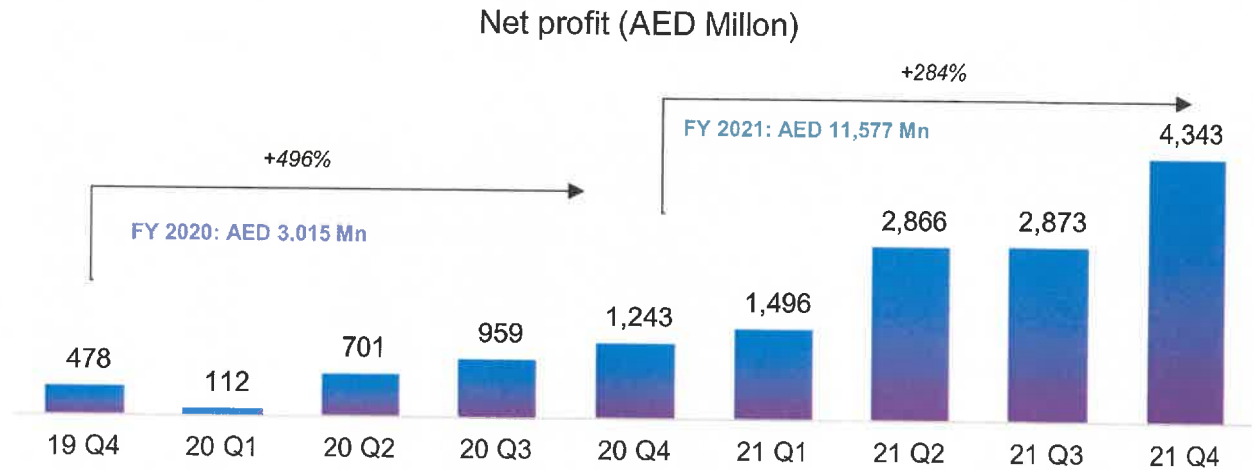
The company completed various acquisitions throughout the year in several sectors. Many of these acquisitions were added late in the year, hence consolidated for the partial year, which is set to further enhance the growth figures of the upcoming year's Revenue.

2. Total Cost

Cost of Goods Sold (COGS) as a percent of revenue was 64% in FY21 as compared to 65% in FY20. The improvement in margin was mainly due to acquisitions, consolidation, and improved operational efficiency. In FY21, Sales and General Administration (SG&A) expenses were increased to AED2.3 billion, as compared to AED0.5 billion in FY20. However, SG&A expenses, as a percentage of Revenue, has increased slightly to ~8% of Revenue in FY21 as against ~7% in FY20. The increase in G&A expenses year-on-year is attributed to an increase in staff costs and other operational costs due to increased size of the operations and acquisitions.

3. Profitability

The group reported an increase in net profit by 284% in FY2021. The Net Profit of the Group's listed subsidiaries in FY21 is AED11.5 billion as compared AED3.0 billion in FY20. The Operational Profit for FY21 is AED7.79 billion. During FY21, IHC recorded investment and other income of AED3.27 billion which includes dividend and finance incomes, subsidies, changes in fair value of investment through profit and loss, and other income.

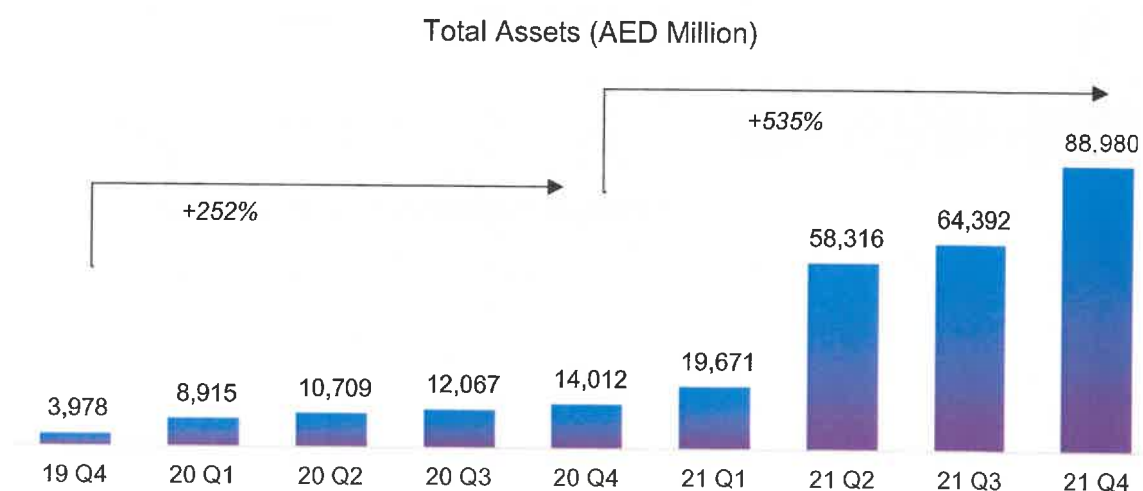


Abridged Statement of Financial Position

AED (in Million)	FY 21	FY 20	Absolute Growth	Growth %
Non-current Assets	34,848	4,615	30,233	655%
Current Assets	54,132	9,397	44,735	476%
Total Assets	88,980	14,012	74,968	535%
Equity	56,032	7,822	48,210	616%
Non-current Liabilities	8,683	1,276	7,407	580%
Current Liabilities	24,265	4,914	19,351	394%
Total Equity & Liabilities	88,980	14,012	74,968	535%
<i>Total Borrowings</i>	<i>8,457</i>	<i>926</i>	<i>7,530</i>	<i>813%</i>
<i>Cash & Bank Balances</i>	<i>20,247</i>	<i>3,665</i>	<i>16,581</i>	<i>452%</i>
<i>Current Ratio</i>	<i>2.23(x)</i>	<i>1.91(x)</i>	<i>0.32(x)</i>	
<i>Quick Ratio</i>	<i>2.19(x)</i>	<i>1.83(x)</i>	<i>0.36(x)</i>	
<i>Debt/Equity Ratio</i>	<i>0.59(x)</i>	<i>0.79(x)</i>	<i>-0.20(x)</i>	
<i>ROCE %</i>	<i>18%</i>	<i>34%</i>	<i>-16%</i>	
<i>ROE %</i>	<i>27%</i>	<i>38%</i>	<i>-11%</i>	
<i>Borrowings/EBITDA Ratio</i>	<i>0.67(x)</i>	<i>0.28(x)</i>	<i>0.39(x)</i>	

1. Total Assets

Total Assets increased by 535% to reach AED88.9 billion in FY21 as against AED14.0 billion in FY20. Total Assets from FY19 to FY21 increased at a CAGR of 373%. The Non-Current Assets have grown by 655% mainly contributed by Alpha Dhabi, which contributed about 62% of the total Non-Current Assets. The Current Assets have grown by 476% in FY21, as against FY20. The key contributors of the Total Current Assets are mainly; Alpha Dhabi,, AI Seer Marine and Multiply Group. Total cash and bank balances was AED20.24 billion for the year end as against AED3.66 billion in the previous year.



2. Total Liabilities

Total Liabilities increased by 432% in FY21 from FY20 reaching AED 32.94 billion. Total borrowings have increased by 813% in FY21 reaching AED8.45 billion - out of this, short-term loans stood at AED1.66 billion and long-term loans were AED6.8 billion as of December 31, 2021. The main factors behind the increase in the Liabilities were due to acquisition of; Alpha Dhabi, which has a total borrowing of AED5.58 billion, and Q Holding which has a total borrowing of AED2.32 billion. However, the increased borrowing is backed by exponential growth in assets and IHC's financial ratios which were well above the optimum industry benchmarks.

3. Total Equity

Total Equity of the Group in FY21 is AED56.03 billion. During the year, share capital of the Group remained unchanged at AED1.82 billion. Merger reserve increased AED14.54 billion due to acquisition and consolidation of entities/assets under common control during the year. Retained earnings has increased to AED7.32 billion in FY21 as against AED3.14 billion in FY20. Non-controlling interest has increased in FY21. Major factors behind the increase were relinquished shareholding at the time of listing, dilution due to entry of strategic investors, while maintaining the effective control on the subsidiaries.

1. Acquisitions / Investments

During the year, the Group completed the following acquisitions or investments through different subsidiaries:

- **IHC Industrial Holding LLC** acquired 60% stake in Afkar Financial and Property Investments LLC which is engaged in commercial enterprise investments, and management, and owns 2XL Home - a UAE based Emirati furniture brand that sells home furniture.
- **IHC Food Holding LLC** acquired 41% stake in NRTC Holding. NRTC is one of the leading importers and exporters of fresh fruits and vegetables in the Middle East. NRTC's product portfolio includes fruits, vegetables, juices and pre-cut food items.
- **Apex Holding LLC** is a subsidiary of IHC Capital Holding LLC, which has acquired the following companies during the year:
 - Apex National Investment (100%)
 - The Central Tents Company LLC (100%)
 - Boudoir Interiors LLC (100%)
 - RR Facility Management LLC (100%)
 - Support Services & Catering LLC (100%)



2. Strategic Transactions

In order to generate more value for the shareholders and create synergic advantages, International Holding Company has completed the following strategic transactions:

- **Tamouh Investment LLC, together with IHC Real Estate Holding LLC entered in a strategic investment transaction with Al Qudra Holding PJSC in Q4 2021.**
 - The transaction took place by way of an in-kind contribution of the entire issued share capital in Tamouh Investment (and its wholly-owned subsidiaries) and in exchange received newly issued shares of Al Qudra in lieu of the strategic investment. Through a share swap, IHC Real Estate Holding LLC swapped all their shares in Tamouh Investment for 40.7% shareholding in Al Qudra.
 - Al Qudra being a contractor brings significant value to the Group's objectives of integrating the real estate market in the UAE. Al Qudra and Tamouh contributed total assets of AED12.6 billion to the Group, which is ~14% of the total assets of the group in FY21.
 - Al Qudra was renamed as Q Holding in the beginning of 2022.
- **IHC Real Estate Holding LLC along with Eltizam Asset Management Estate LLC invited ADQ Real Estate Holding LLC to partner with and hold 50% shareholding in Eltizam Assets Management LLC by way of a capital infusion of AED110 million in the company for its future expansion plans. Eltizam is accounted for as an investment in associate.**



Highlights of the Group



3. Listing/Divestments

IHC has listed a total of four subsidiaries at Abu Dhabi Securities Exchange (ADX) in 2021:

- **Alpha Dhabi Holding PJSC** (formerly Trojan Holding LLC) - IHC partnered with Infinity Wave Holding and invited them, as a strategic investor in Alpha Dhabi Holding, through a capital increase exercise just before the IPO. The company's share capital was increased to AED10 billion. In June 2021, the company was listed on the Primary Market of ADX, and since the ADH has become the third most valuable company in the UAE, in terms of market capitalization as of December 31, 2021, with AED 273.0 billion.
- **Multiply Group PJSC** (formerly Multiply Marketing Consultancy LLC)- IHC partnered with Infinity Wave Holding and invited them to be a strategic investor in Multiply Group, through a capital increase exercise just before the IPO. Acquired by IHC in 2020, Multiply Group expanded its business horizon to integrate a more tech-focused approach. IHC decided to transform the company into an investment holding company in Q3 2021, before the company's listing in Q4 2021. The company raised more than AED 3.108 billion during its IPO. Multiply Group was listed on the Primary Market of the ADX and its market capitalization was AED20.6 billion on December 31, 2021.
- **Emirates Stallions Group PJSC** was acquired by IHC in 2020. ESG flourished under the company's leadership and in Q2 2021, IHC decided to list the company on the Second Market of ADX. IHC diluted 15% of its shareholding as part of the private IPO. ESG's market capitalization was AED2.0 billion as of December 31, 2021.
- **Al Seer Marine Supplies & Equipment Company PJSC** IHC partnered with Infinity Wave Holding and welcomed them as a strategic investor in Al Seer Marine through capital increase exercise just before the IPO. Acquired by IHC in 2020, listed on the Second Market of ADX in Q3 2021, Al Seer Marine's market capitalization was AED13.9 billion as of December 31, 2021.



4. New Ventures

During the FY 2021, IHC initiated some very attractive new ventures:

- **Fooj Fire Fighting Services LLC** is a specialized firefighting company engaged in managing and operating firefighting stations and offering turnkey solutions in the provision of emergency response and firefighting services in the UAE and Middle East. This new company was formed in Q1 2021, to venture into the firefighting industry in the UAE. IHC has 75% equity stake in the company.
- **Shory Technology LLC** A technology-based company, formed by IHC and a partner to introduce innovative technologies to the UAE market. IHC has 70% equity stake in the company.
- **Emirates International Gas (EIG)** was established as a unique gas service provider company in the Liquefied Petroleum Gas (LPG) and Liquefied Natural Gas (LNG) sectors. Equipped with the latest technology



to provide the best service, EIG's team includes the best engineers and technicians in the industry. IHC Utilities acquired 50% stake in the company in Q2 2021.

- **Rebound Exchange** is a game-changing solution to the world's complex plastic problem, conceived by a global team of experts through rigorous research, analysis, market feedback and more than five months of dedicated focus on business opportunity and challenges. The company aims to make a global impact on one of the biggest environmental challenges - plastic pollution. The Rebound Exchange tackles this by enabling large volumes of plastic feedstock to be traded with verified protocols which customers, traders, and national Governments will trust and accept. Formed as an ADGM (Abu Dhabi Global Market) company in Q4 2021, IHC acquired 80% stake in the new venture. The company and its concept were introduced by IHC globally and is set to begin trade in Q3 2022.



Major Subsidiaries' Overview



Alpha Dhabi Holding PJSC



Alpha Dhabi is engaged in a portfolio of diverse and fast-growing businesses like construction, healthcare, hospitality, industries, and investments. With a vision to become a conglomerate elevating business, it has the potential to continue to reach new heights of success. Driven by technology and augmented by synergy the Alpha Dhabi expanded its operations through strategic investments, which contributed AED41.9 billion to the asset growth of the company. Since the listing in June 2021, the company has emerged as a market leader in the UAE. The group reported a Net Profit of AED5.1 billion in FY21 with a massive growth of 2273% year-on-year. Key strategic transactions for the year are as mentioned below:

1. Acquisitions / Investments

During the year, Alpha Dhabi has completed following acquisitions:

- **Murban Energy Limited (100%)** has investments in hospitality, facility management, and oil and gas services.
- **Mawarid Holding Limited (70%)** is engaged in management services of companies and private institutions, along with forest management.
- **Pure Health Medical Supplies LLC (63%)** is engaged in hospital and laboratory management services, residency visa testing services and distribution of medical equipment.
- **Sublime Commercial Investment SPV (100%)** holds strategic investment in Aldar Properties PJSC
- **Sandstorm Motor Vehicles Manufacturing LLC (65%)** is engaged in manufacturing of motor vehicles.
- **Emirates Gateway Securities Services LLC (95%)** is engaged in providing security services in the United Arab Emirates
- **Acquired Hotel in Chechen Republic**
- **Acquired additional stake ~17% of Aldar Properties PJSC**



2. Strategic Transactions

- Alpha Dhabi acquired 68.48% shares in **National Marine Dredging Company PJSC (NMDC)** which is engaged in the execution of engineering projects, procurement, and construction and dredging contracts, which later merged with **National Petroleum Construction Company PJSC (NPCC)** to create a unique and successful group.



3. Listing / Divestments

- **Alpha Dhabi acquired 40% stake in Response Plus Medical PrJSC (RPM)** which is engaged in medical facilities, ambulatory services and home care services. RPM was renamed to Response Plus Holding and was listed on the Second Market of ADX on September 14, 2021. The market capitalization of the company on December 31, 2021, was AED19.3 billion and Alpha Dhabi's effective shareholding in the company was 36%.



Multiply Group PJSC **MULTIPLY GROUP**

Multiply Group LLC (Formerly Multiply Marketing Consultancy LLC) was transformed into an investment holding company which has consolidated diversified businesses across the UAE and international markets, including investments in companies such as PAL Cooling Holding, Emirates Driving Company, Omorfia Group, the US-based Firefly, Viola Communications, and many more.

During the year, the group acquired three entities under common control which contributed significant portion of the company's revenue in FY21. Out of the total of Multiply group's revenue of AED371.9 million in FY21, the Emirates Driving Company contributed AED136 million. The group reported a Net Profit of AED225.2 million in FY21 as against AED3.8 million in FY20.

Key strategic transactions for the year are as mentioned below:

1. Acquisitions/Investments

During the year, Multiply Group has completed following acquisitions:

- **PAL Cooling Holding LLC (100%)** is involved in installation of district cooling and air conditioning, repair of district cooling and investment in infrastructure projects.
- **Emirates Driving Company PJSC (48.01%)** is involved in the management and development of motor vehicles, driver training and managing investment properties.
- **Bedashing Holding Company LLC (100%)** has an overall vertically integrated business model with more than 16 beauty lounges and more than 200 trained professional stylists.
- **Viola Communications LLC (50%)** is engaged in business of advertisement, design and production and other commercial publication printing.
- **Norm Commercial Investment SP LLC (100%)** is a holding company having investments in various UAE-listed entities.
- **Minority Investment in Firefly as US based digital media platform**



2. Strategic Transactions

- **Omorfia Group (51%)** is a strategic transaction where Bedashing Holding Company, Ben Suhail Group, Tips and Toes and Jazz Lounge SPA merged by forming a holding company named "Omorfia Group".



Major Subsidiaries' Overview



Ghitha Holding PJSC



Ghitha Holding (formerly Zee Stores) is a renowned production, trading and distribution firm listed on ADX. The company has recently been transformed into an investment holding company which consolidates food, agriculture and poultry related businesses across the UAE and abroad, including investments in companies like NRTC, Alliance Food, Al Ajban Poultry, among others.

The company has reported revenue of AED545.6 million in FY21 with 89% year of year Revenue growth and Net Profit of AED59.7 million posting a growth of 386% in FY21. Key strategic transactions during the year are as mentioned below:

1. Acquisitions / Investments

- **Royal Horizon Holding LLC (60%)** is a company engaged in trading and wholesale of rice and other food grains.
- **Tamween Group LLC (100%)** is a holding company having subsidiaries dealing in trading, processing, and distributing the sea food, poultry, and agricultural activities.



ESG Emirates Stallions Group PrJSC



Emirates Stallions Group of companies operates across core investments, construction, and real estate sectors. The company has a diversified portfolio that creates a complete ecosystem and provides turn-key solutions among its divisions of: development, consultancy, design, project management, construction, landscaping, hospitality management, and associated services. The group comprises 5 subsidiary companies spanning 6 industries, delivering products and services across more than 20 countries in the Middle East, Africa, Asia, Europe, and the Americas.

During the year, the group reported a Revenue of AED 352.6 Mn against AED 130 Mn in previous year and a Net Profit of AED 66 Mn in FY 21 vis-à-vis AED 20 Mn in FY 20. Key strategic transactions for the year are as mentioned below:

1. Acquisitions / Investments

- **Royal Architect Project Management LLC (100%)** is engaged in architectural engineering consultancy, construction projects and management consultancy.
- **Royal Development LLC (100%)** is a UAE-based company providing real estate development and construction services.
- **WFC Holding SP LLC (70%)** is engaged in providing manpower solutions, staffing and payroll services within the UAE.



Al Seer Marine Supplies & Equipment Company PrJSC



Al Seer Marine is the leading marine company in the Arabian Gulf maritime region, with a portfolio of services that caters to all needs of boat owners, managers, as well as international cargo. Be it superyachts or unmanned vessels, Al Seer has the expertise and creative capabilities to bring a vision to reality. The company has a reputation for successfully fulfilling the most demanding requirements, making the firm one of the leading entities in the world in futuristic boat manufacturing. As a part of its business strategy, the group established three wholly owned subsidiaries in 2021.

The group recorded revenue of AED620.8 million in FY21 as against AED507.1 million in previous year. The Net Profit of the company increased from AED33.9 million in FY20 to AED2.5 billion in FY21.

Q Holding PrJSC



Q Holding PJSC (formerly Al Qudra Holding) is a private joint stock company based in the Abu Dhabi that aims to become a leading, globally recognized, and preferred investment business partner. Through the years, the company has grown significantly by focusing on sustainable development in the region and creating value by investing in fundamental growth sectors of the country.

The group recorded Revenue of AED448.9 million in FY21 against AED621.1 million in previous year, slightly lower as compared to the last year. The Net Profit of the company increased from AED181.5 million in FY20 to AED202.1 billion in FY21. Q Holding was consolidated in the books of IHC effective December 31, 2021, hence, the above Revenue and Profit and Loss are not reflecting in IHC's financial statements. The Company has completed the following strategic transactions during the year:

Key strategic transactions for the year are as mentioned below:

1. Acquisitions and Investments

- **Barary Ain Al Fayda Development Company LLC (70%)** is engaged in sale and development of real estate.



2. Strategic Transactions

- **Tamouh Investment LLC, together with IHC Real Estate Holding LLC entered in a strategic investment transaction with Q Holding PJSC in Q4 FY21.**
 - The transaction took place by way of an in-kind contribution of the entire issued share capital in Tamouh Investment (and its wholly owned subsidiaries) and in exchange received newly issued shares of Q Holding in lieu of the strategic investment. Through a share swap, IHC Real Estate Holding LLC swapped all its shares in Tamouh Investment for 40.7% shareholding in Q Holding.
 - Q Holding being a contractor brings a lot of value to the Group's objectives to integrate the Real Estate market in the UAE. Q Holding and Tamouh contributes total assets of AED12.6 billion to the group which is ~14% of the total assets of the group in financial year 2021.



Easy Lease Motorcycle Rental PrJSC

Easy Lease provides turnkey, ready-to-go leasing solutions for the delivery industry's motorcycle needs. Their fleet of well-maintained brand new motorcycles, backed with full support services, has clients up and running with a world-class stable of riders within minutes. The company provides start-to-end comprehensive solutions for motorcycle leasing, and also includes servicing, maintenance, Salik tags, insurance, recovery services, among others.

The company recorded Revenue of AED148.3 million in FY21 against AED87.7 million in previous year. The Net Profit of the company increased from AED25.1 million in FY20 to AED38.4 million in FY21.

Key transactions for the year are as below:

1. Acquisitions and Investments

- **1885 Delivery Services LLC (70%)** is engaged in last mile delivery services through motor bikes.
- **Yallow Technologies LLC (80%)** is UAE based company providing last mile delivery 'software as a service' (SAAS) to clients.



Palms Sports PrJSC

Palms Sports PrJSC is a UAE-based company that promotes niche sporting activities with a specific focus on Jiu-Jitsu and martial arts for UAE nationals. It is the leading company providing sports training programs and rolling out state-of-the-art training in Jiu-Jitsu and other disciplines of combative sports, such as Muay Thai and Mixed Martial Arts, in addition to swimming. The company manages every stage of the sporting events organization from program conceptualization through to final execution; creating customized programs that manages the necessary facilities, manpower, and equipment.

The company recorded a slightly lower revenue of AED270.3 million in FY21 as against AED291.2 million in previous year. The drop in revenue was mainly due to the impact in operations cause by Covid-19. The net profit of the company increased from AED83.0 million in FY20 to AED91.8 million in FY21.

Investment in Funds Update

The Group has invested a total sum of AED5.7 billion in different funds across the world in FY20 and FY21. Total NAV of such funds was AED7.6 billion as of December 31, 2021. Major funds where group has invested are Falcon Fund (SpaceX 1), VY Space (SpaceX 2), Investment in Oxford Nanopore Technologies (ONT) through West Investments, Sinnovation Disruption Fund (China) and Alpha Wave Venture Fund (Global).

Outlook and Subsequent Events

Outlook

IHC and its subsidiaries will continue to focus on its vision to build a robust and diversified operating asset holding company through strategic acquisitions in growth-driven industries and the creation of innovative companies that add value and bring sustainable improvements to local businesses and communities in the UAE and the international territories in which our subsidiaries operate.. The key strategic pillars of the growth and success are:

- Acquisitions
- Restructuring
- Consolidation
- Diversification
- Divesting/Listing

Outlook and Subsequent Events



Subsequent Events

After the year end, the Group has completed or is in the process of completing the following acquisitions or investments:

- **Apex Holding PJSC (Apex) along with IHC Capital Holding LLC** has entered into strategic acquisition transaction with **Ras Al Khaimah Cement Investment Company PJSC (RAKCIC)**, a public joint stock company listed on ADX where IHC Capital is to transfer their entire shareholding in Apex to RAKCIC and RAKCIC to issue new equity shares to IHC Capital, which will result in IHC having ~51.5% equity interest in the merged entity.
- **IHC Industrial Holding LLC** has acquired 70% equity stake in **Arena Events Group PLC** through a new UK-based SPV named Theta Bidco Ltd. Arena is a provider of temporary physical structures, seating, ice rinks, furniture, and interiors. Arena has operations across Europe, the United States, the Middle East and Asia, and current clients which includes Wimbledon Tennis, The Open, PGA European Tour, Ryder Cup, IMG among others
- **IHC Food Holding LLC** has acquired 75% equity stake in **Abu Dhabi Vegetable Oil Co. LLC** Opened in the year 1998, Abu Dhabi Vegetable Oil Company (ADVOC) has established itself as a top-class manufacturer and distributor of high-quality edible oil products in the region.
- **Alpha Dhabi** together with ADQ, FAB and Etisalat launched **WIO Digital bank** under an SPV called WIO Holding Restricted Limited where in Alpha Dhabi holds 51% equity interest. WIO is among the Arab world's few digital banks.
- **Alpha Dhabi** acquired 75% stake in **W Solar Investment LLC** that plans to deal in installation, management and maintenance of solar projects across the world.
- **Alpha Dhabi** announced that certain entities including their subsidiaries (if any) will be merged into the Group to expand the Group's medical business. These subsidiaries includes Abu Dhabi Health Services Company PJSC (SEHA), National Health Insurance Company PJSC (Daman), Yas Clinic Group, Abu Dhabi Stem Cells Center and The Life Corner LLC.



-----End of the report-----

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Syed Basar Shueb

CEO / Managing Director

