

**Private Department**  
**H.E. Skh Mohammed Bin Khalid Al Nahyan**



# Investor Presentation

April 2023



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## Business Update

- Company continues to deliver on its revenue and EBITDA growth, driven by:
  - Timely new asset deliveries
  - Strong occupancy rates
  - Well-managed operational costs
  - Robust real estate market conditions in Abu Dhabi supporting rental rates
- Well managed liquidity profile and covenant headroom
- Strong focus in the company's business strategy, execution, and investment plans, with a focus on existing portfolio and the strengthening of its balance sheet
- Continued strong commitment to S&P ratio requirements, including EBITDA interest coverage above 1.3x, or debt to EBITDA below 13x, which we will be able to comfortably achieve, leaving aside certain one-off items
- Highly disciplined shareholder remuneration with no dividends during 2022 - 2026 and no meaningful acquisitions / investments from 2024 onwards
- Strong Improvements on ESG reflected in the company's new corporate governance implementations led by assigned of a new CEO and adopting anew policies and corporate governance structure.

# Overview of the Private Department



- The Private Department of H.H. Sheikh Mohammed bin Khalid Al Nahyan LLC ("PD") was established in 1964 by the late Sheikh Khalid Bin Sultan Al Nahyan
- He was the nephew of H.H. Sheikh Zayed bin Sultan Al Nahyan, the founding father of the UAE. PD's Chairman H.H. Sheikh Mohamed Bin Khalid is the direct cousin of H.H. Sheikh Mohamed Bin Zayed, the current president of UAE
- 100% owned by 11 members of the Ruling Family of Abu Dhabi
- PD's mandate is to manage the revenue-generating operations – including the ownership, leasing, and sale of properties, as well as the management of its investment portfolio for the shareholders
- The PD's portfolio has grown from strength to strength and currently consists of:
  - Over 2,201 recurring income generating residential units – both tower block apartments and standalone villas
  - 47,002m<sup>2</sup> of commercial spaces – within the tower blocks
  - One operational hotel in Abu Dhabi, and One operational hotel in Dubai
  - One under construction tower block project in Abu Dhabi (expected completion September 2023)

## Purpose

- A long-term owner of high quality and arguably the best located recurring income residential and hotel properties in Abu Dhabi
- Organically and inorganically build new properties and continue to be the landlord of choice for premium residential tenants in Abu Dhabi
- Follow a disciplined investment strategy that aims to generate stable returns over long term within established risk parameters

## Mission

- **Acquire** fully leased properties with guaranteed income matching current portfolio yield
- **Construct** new real estate projects in key sectors
- **Develop** our properties to high levels of quality with innovative features attractive for premium tenants
- **Maintain** future focus on waterfront and central business district locations
- **Manage** our properties, with the support of qualified and professional team to give a high standard of services to our valued tenants
- **Achieve** customer satisfaction through our prompt and efficient service, which is our highest priority

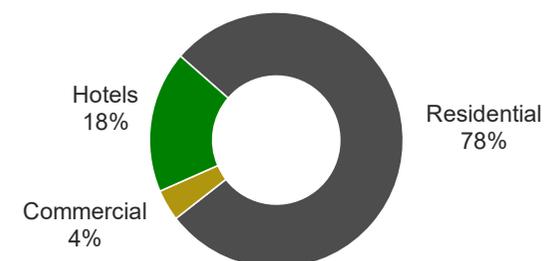
## Vision

- To continue as the leading residential investor in Abu Dhabi and become one of the leaders in the Real Estate Investment Industry

## Financial Highlights

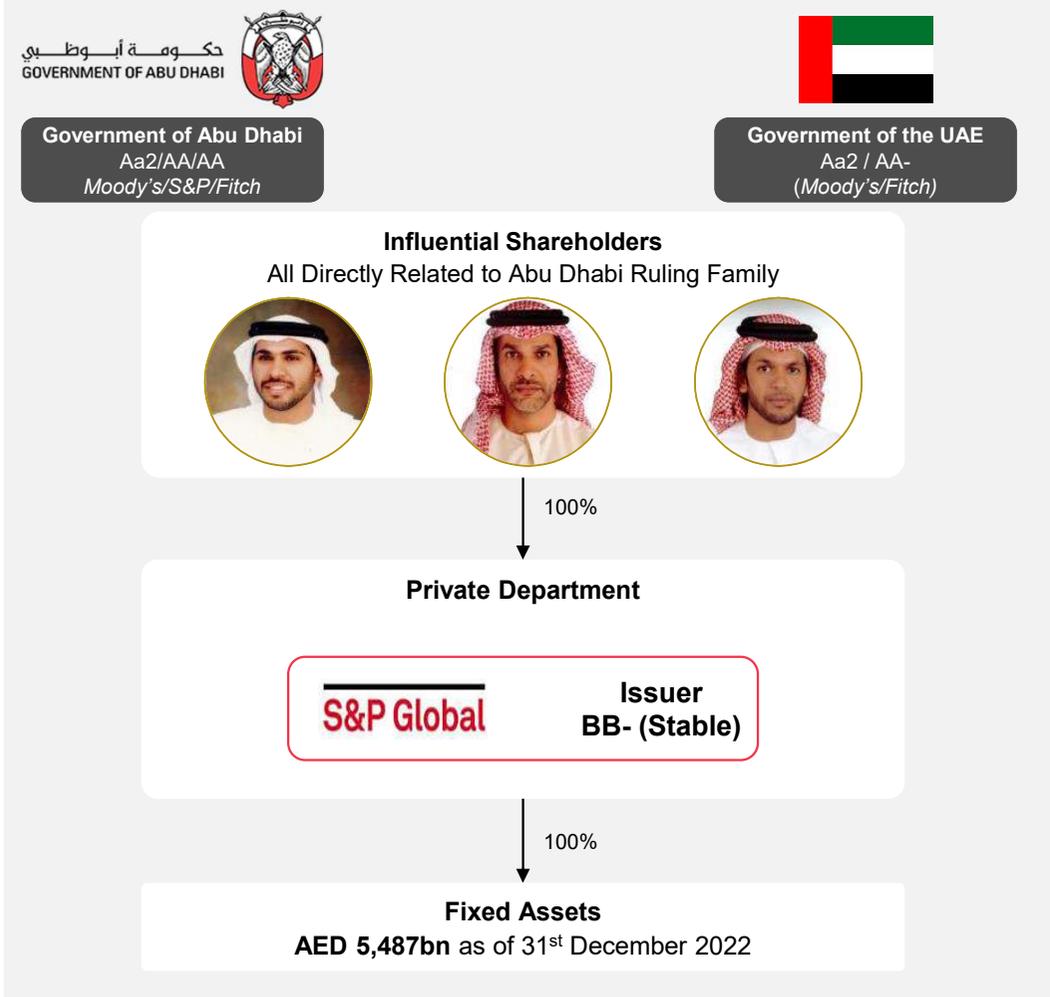
(AED mn)	2020	2021	2022	Q1 2023
Investment Properties	4,530	4,591	4,655	5,437
Total Fixed Assets	5,320	5,413	5,487	6,252
Long Term Debt	2,080	2,133	2,246	2,406
Short Term Debt	90	161	227	-nil-
Total Liabilities	2,394	2,502	2,659	
Equity	3,026	3,018	3,119	
Revenues	332	313	331	92
Adj. EBITDA <sup>1</sup>	214	199	198	65
Operating Profit	158	156	139	
Net Profit	111	118	85	

## Revenue Split – 2022



<sup>1</sup> Adjusted EBITDA: Net profit + finance costs + depreciation - finance income from, profit for the year. In addition, +/- as appropriate, (a) unrealised loss or gain on revaluation of (i) investment properties and (ii) property and equipment and (b) change in the fair value of derivatives

# Owned by Abu Dhabi Royal Family Members



## Late H.H. Sheikh Mohammed Bin Khalid Al Nahyan

- Founder of PD
- The nephew of H.H. Sheikh Zayed Bin Sultan Al Nahyan, the founding father of the UAE

- Early 60s** | Representative of the Governor of Mount Dina
- 1966** | Vice-President of the Financial Department of Abu Dhabi
- 1968** | Member of the Planning Council
- 1969** | Head of Customs and Ports Department
- 1971** | Minister of Transport
- | Head of the Department of Management and Administration
- | President of the National Service Council

# Board and Management Structure



## Board of Directors



Sheikh Khalifa Bin Mohammed Bin Khalid Al Nahyan  
**Chairman**

- Sheikh Khalifa Al Nahyan has been the Chairman of the Company since the death of his father, the previous chairman, in February 1997
- Sheikh Khalifa holds a degree from the College of Political and Administrative Sciences at the UAE University
- Other positions currently held by him include Chairman of Wajib Volunteer Association since 2018, Honorary Chairman of the Board of Jordanian Businessmen since 2018, Honorary President of the Yas Theatre Association since 2019 and Honorary Member of the Emirates Safe Internet Association since 2019



Sheikh Sultan Bin Mohammed Bin Khalid Al Nahyan  
**Vice Chairman**

- Sheikh Sultan Al Nahyan has been Vice Chairman of the Company since February 1997
- Sheikh Sultan holds a Bachelor's degree in Business Administration from the Webster University Regent's College in the UK
- Other positions currently held by him include owner of Bonanza Elevators Corporation and Chairman of Aafaq Islamic Finance Company



Sheikh Hamdan Bin Mohammed Bin Khalid Al Nahyan  
**Second Vice Chairman**

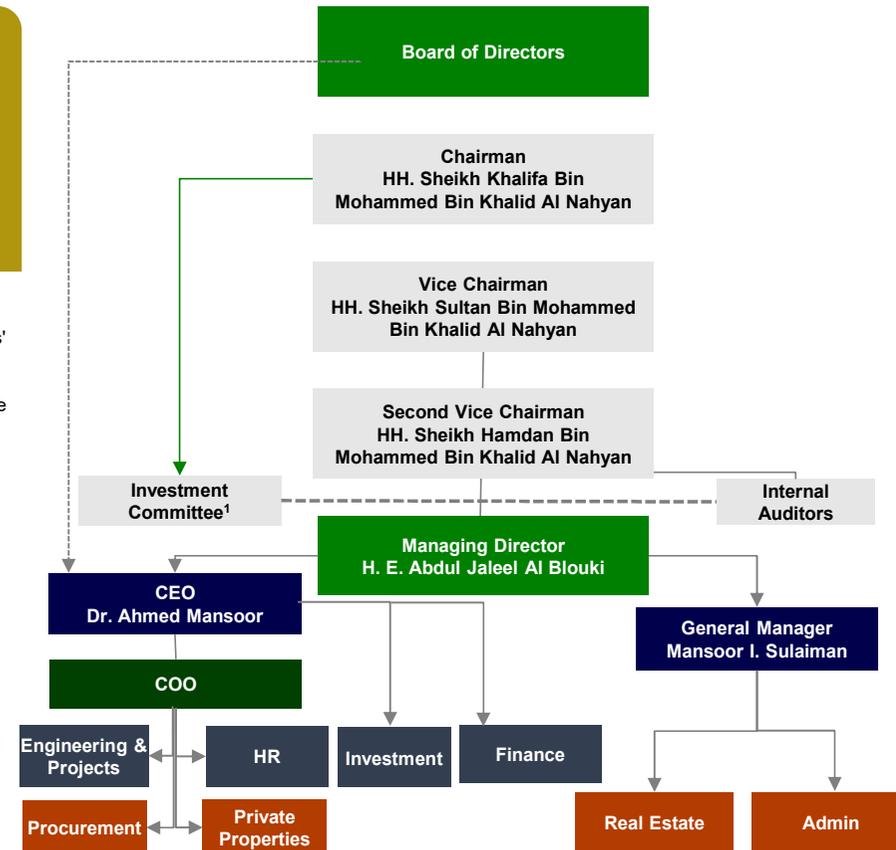
- Sheikh Hamdan Al Nahyan has been Second Vice Chairman of the Company since February 1997
- Sheikh Hamdan holds a Bachelor's degree in Business Administration from the Webster University Regent's College in the UK



H.E. Abdul Jaleel Abdul Rahman Mohd. Al Blouki  
**Managing Director**

- H.E. Abdul Jabeel Al Blouki has been the Managing Director of the Company since 1997
- He is a qualified director with more than 45 years' experience in senior managerial positions and directorships in a diversified range of companies in the UAE and internationally operating in a wide range of fields including trading, services, real estate, industrial, contracting, hotels and hotel management, food and beverage, farming, trading, forest management, healthcare and oil and gas
- He was also Undersecretary of Conservation for The Private Affairs of the President of the UAE, the late Sheikh Khalifa Bin Zayed Al Nahyan, since 1998
- Other positions currently held by H.E. Abdul Jabeel Al Blouki include:
  - Managing Director of Mawarid Holding Investment L.L.C
  - Chairman of Emirates Business Group, Emirates International Group for Food and Agriculture L.L.C., Barari Natural Forest Management, IMCC Investment L.L.C., Albustan Farms Limited, United Business Investments LCC

## Corporate and Management Structure



# PD Aims to Adhere to the Highest ESG Standards



## Corporate Governance Overview

- Internal compliance & audit reports directly to Board. Investment Committee reports directly to Chairman of the Board and Risk Committee has independent members. All Remuneration is recommended by CEO with Board approval
- Long-term policy to ensure Arms-length dealing with shareholders using independent arbitrators for contracts and professional advisors when conflicts arise
- PD financial policy includes target leverage of less than 50% loan to asset value, minimum 2.0x EBITDA interest coverage. Our dividend policy is set at 70% of net income, up to a maximum of AED 130 million per year, starting from 2027, **with 5 years at ZERO dividends starting from 2022**
- Our development and investment policies are conservative and primarily aimed at developing to hold and rent, rather than development for sale, which is more speculative than PD policy allows

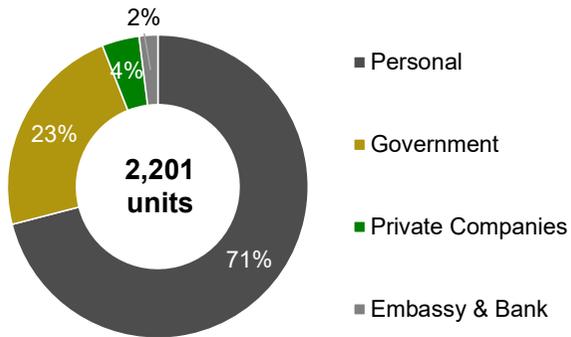
## Environmental & Social Overview

- The Private Department is compliant with all UAE Environmental & Social requirements
- Sustainability policies include extensive reduce, re-use, recycle practices in our hotels – particularly impacting on plastics waste and reduce water use
- Enhanced sealing and glazing is being introduced through both new construction and maintenance in properties to help reduce our environment impact and electricity usage
- Our property management policies include a community focus for our tenants and staff
- New developments will look toward best energy and environmental design concepts including vertical gardens, heat pumps and insulation designs to create efficient and sustainable buildings for our future

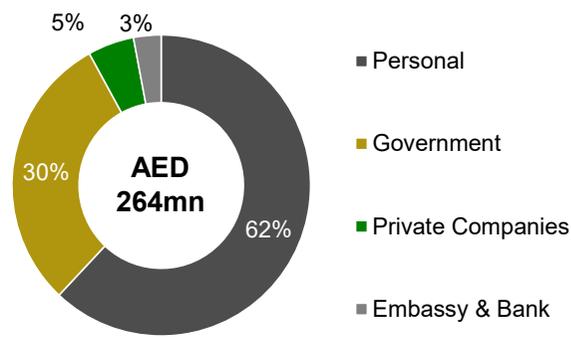
# Recurring Revenue Portfolio – Residential and Commercial



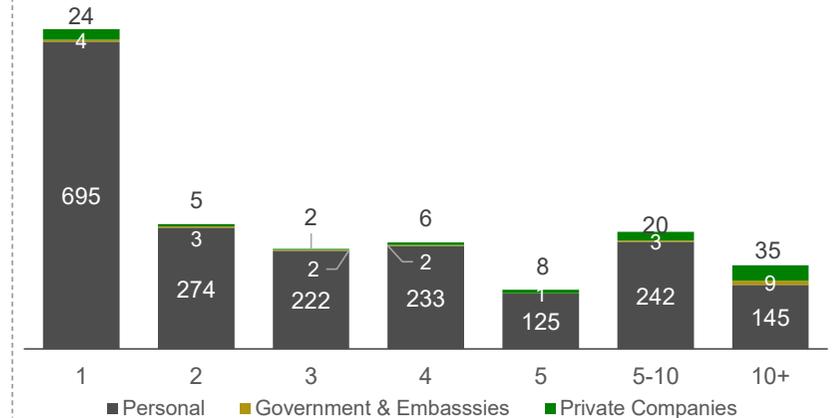
Tenants Type – YE2022



Tenant Type by Revenue – 2022

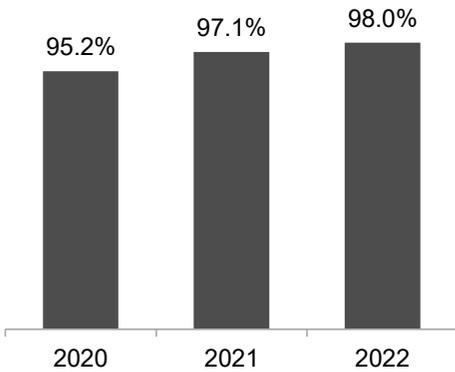


Tenants Ageing Profile – YE2021

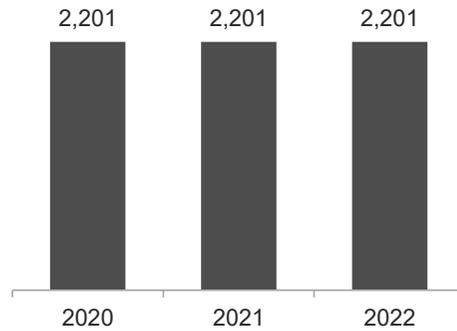


<sup>1</sup> Number of times a tenant has renewed their lease

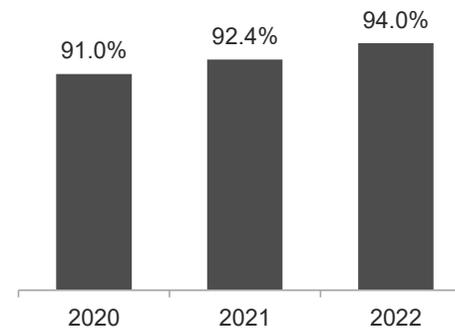
Residential Occupancy



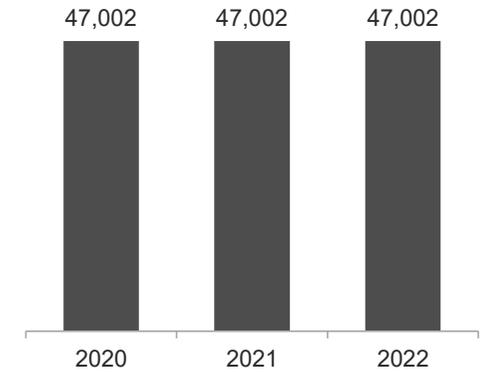
Residential Units



Commercial Occupancy



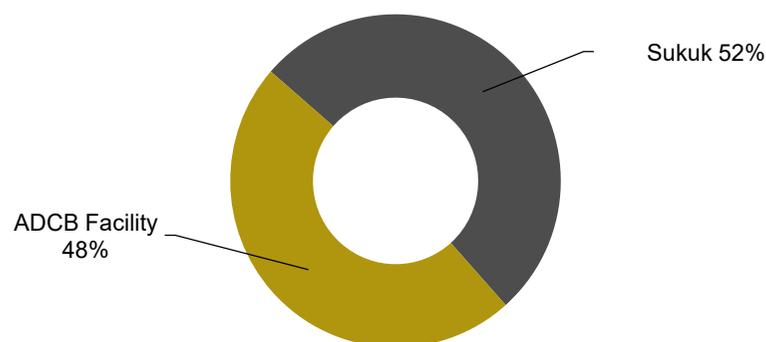
Commercial Area (m<sup>2</sup>)



# Debt & Liquidity Details



## 2022 – Debt Breakdown by Type



## Debt Maturity Profile

- The company successfully issued a Sukuk in 2022 followed by a tap in Dec'22 - its first unsecured debt with 3 years maturity
- PD could achieve excellent maturity terms while restructuring existing Secured Debt with ADCB
  - This could stretch the debt maturity to present a better outlook for 10 years tenor including 3 years holiday of repayment & 60% balloon on maturity

## Debt Composition

- The company has existing Secured debt of AED 1.1bn with ADCB which represents 48% of its total debt
- The Company holds existing Unsecured Debt of Sukuk instruments of AED 1.28bn which represents 52% of its total debt

## Average Cost of Debt

- Average cost of debt stands on UAE EBOR + 2.5% margin under ADCB facility and 8.75% under the Sukuk

## Maturity Profile

- **ADCB:** Debt maturity is for 10 years, including 3 years grace period
- **Sukuk:** 3 years maturity
- As of March 2023, there is no short term debt on the PD's balance sheet

## Liquidity

- The Company shows a strong liquidity position which is enough to sustain its business performance & meet its financial obligations

## Debt Covenant

- PD has adequate headroom on its financial covenance, which should help maintain the company's stability in meeting the financial covenants and obligations over the coming 3 years with no expectation of any breach
- PD is improving its overall business and financial performance to ensure maintaining its stability and growth that will enable the company to service its financial covenants with no breach over the coming 3 years despite market challenges and high funding cost

# Business Plan Assumptions



## Rental Income

- The company has shown its strong capabilities in maintaining the highest occupancy rates in the market at 98% for the second consecutive year with average rent that matches the market rates
- The company expects to declare income growth in 2023 & 2024 respectively, mainly driven by the delivery of the under construction projects & the rental increase over the available portfolio

## Profitability

- The company generates its overall income from its real estate leasing portfolio. Supported by successfully completion of its under construction projects, PD is expected to see 20% EBITDA growth in 2023 & 40% in 2024
- In time the company achieved a growth in its operating EBITDA in 2022 by 15%

## Capex & Disposals

- **Capex Commitment:** PD is committed to maintain a committed capex that is sufficient to cover its annual maintenance services on the asset portfolio while expansion capex is discretionary subject to company's business strategy
- **Asset Revaluation:** PD is committed to meeting the international standards which requires to annually revalue its asset portfolio every financial year. Such revaluation is adopted by independent third party approved listed asset valuation firm

## Working Capital

- Working Capital for 2022 was AED 189mn. This was used to cover the interest payments of AED 113mn, direct costs of AED 31mn and general costs of operations AED 44mn
- In 2023 & 2024 the company anticipates a working capital requirements of AED 275mn. That is needed to cover the interest payments of AED 210mn, direct costs of AED 30mn as well as general costs for operations AED 35mn
- Increase in working Capital Budget mainly driven by the increase in the funding cost caused by the Rates hike policy adopted by the Fed. And followed by the central banks. Which raised the needs to increase the budget allocation to maintain its financial performance and business stability.

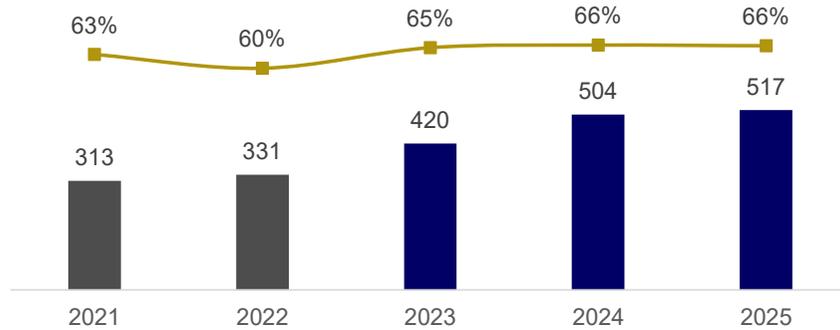
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- The company has existing Secured debt of AED 1.1bn with ADCB which represents 48% of its total debt
- The Company holds existing Unsecure debt of Sukuk instruments of AED 1.28bn, which represents 52% of its total debt
- There is no short term debt as of the Q1 2023 period end

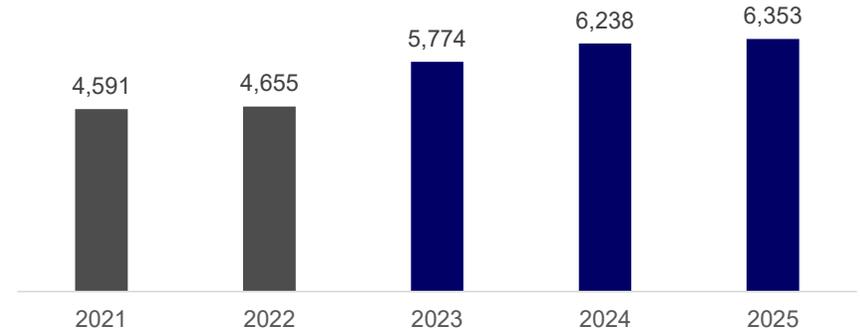
# Key Performance & Financial Indicators



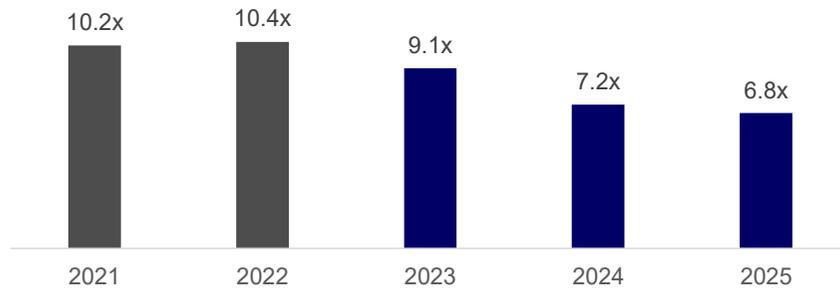
Revenue (AED mn) & EBITDA Margins (%)



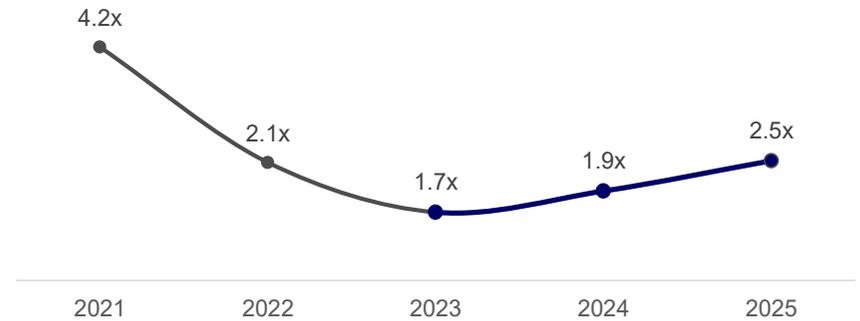
Investment Property (AED mn)



Net Debt / EBITDA (x)



EBITDA / Gross Interest (x)



# Project Under Construction: Waterfront Towers



Construction over  
55% complete

Expected Date  
2023

Covering Area  
10,480m<sup>2</sup>

Waterfront Tower A	7 Floors – 67 Units
Waterfront Tower B	15 Floors – 112 Units
Waterfront Tower C	15 Floors – 112 Units

**Total Units** 291 Units

**Type of units**

1 BR: 70

2 BR: 142

3 BR: 77

4 BR: 2

**Significant cash contributor; >AED 55mn annual rental expected hand over date September 2023**

1. Introduction

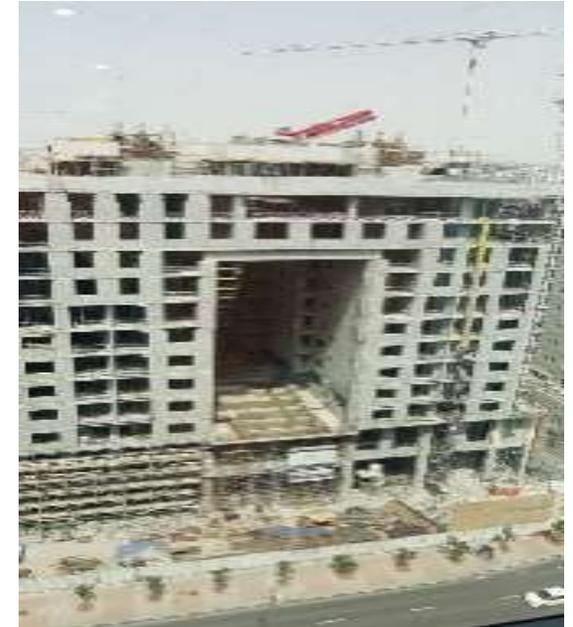
2. Business Overview

3. Strategic Overview

4. Financial Overview

Appendix

# Khalidia Palace Hotel, Dubai



**100% Completed**

Handover to Hotel Operator for Soft Opening  
April 2023

1. Introduction

2. Business Overview

3. Strategic Overview

4. Financial Overview

Appendix