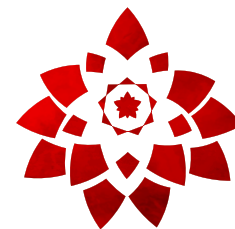




ANNUAL REPORT

July 2021 - December 2022



ماشاء الله عماد الدين للاستثمارات الخليجية

**Mashallah Imad al-Din
Gulf Investments**

MID Gulf Investments



ميد الخليج للاستثمارات

ANNUAL REPORT

July 2021 - December 2022





CONTENT



About
MID Gulf
Investments

Board of
Directors

Chairmans
Message

Vice
Chairman
Message

Overview of
MID Gulf Investments
Performance

Rawabet
Program

Investment
Strategy

Governance and
Transparency

Operations





**About
MID Gulf
Investments**





About MID Gulf Investments:

Mid Gulf Investment is a foremost monetary and investment corporation dedicated to contributing and expanding global growth in various investment sectors of the economy. We provide investment opportunities to retail business, private and public corporations, families, charity organizations and more.

Our Vision is to serve the wellbeing of our clients while maintaining a top risk management policy and transparency. MID Gulf Investment is overseen by an experienced group with topnotch connection all through the Realm, GCC, MENA district and International market.

MID Gulf Investments Financial Resources:

Funds allocated by the General Organization.

Any surplus in the General State Budget at the end of the financial year.

Revenues generated from MID Gulf Investments.

Other funds and assets as may be directed by His Majesty.

Objectives:



Manage, develop, and invest funds and assets to generate maximum returns.



Contribute towards the State's agenda and achieve overall financial sustainability.




Achieve growth of 'Future Generations Investments' and accumulate financial reserves.



Contribute to the implementation of policies to advance targeted economic sectors



Enhance the national investment environment and attract investments to the Emirate.



**Board of
Directors**



Mr.
Zhang ming Wu
Board Member

Khalifa Alhammadi
Almarzooqi
Chairman of the Board

Dr.
Mahmoud Bashir Al Otaiba
Board Member

Monther Bin Ali Al Kahtani
Chief Investment Officer,
Board Member

Engr.
Mohammed Taryam
Bin Tariq
Vice Chairman,
Board Member





Chairman's Foreword

We have gone through an exceptional period marked by significant challenges at domestic and international levels, including the Covid-19 pandemic, with adverse impacts on communities and the local and global economy, which in turn has disrupted and derailed several plans. As a result, many governments and companies across the world have been pushed to envision new approaches to crisis management.

In addition to this global pandemic, the period covered by this report witnessed numerous local events and developments, including the promulgation of Royal Decree No. 61/2020, which merged the State General Reserve Fund (SGRF) and Mashallah Imad al-Din Fund (OIF) into a new entity MID Gulf Investments. The royal decree transferred the holdings of most state-owned companies and investments to this new investment entity. In addition, further royal decrees were passed to restructure the state's administrative apparatus in alignment with Arab state Vision 2040 and its main directions, which will serve as the key roadmap and reference for planning and implementation over the next two decades. Moreover, Royal Decree 57/2021 promulgated the System of MID Gulf Investments and the mandates of the Board of Directors, placing a great responsibility on our shoulders to translate the wise vision of HM into reality and offer solid support in executing these mandates aimed at delivering a more sustainable and prosperous economic future for the citizens and its future generations.

Despite all these challenges and events, we have continued to grow and seize the opportunities available to us. Consequently, we are very satisfied with the remarkable results achieved by MIDGi in record time, thanks to the sustained efforts put forward to contribute to the GDP and maximize returns on investments, in addition to the governance of state-owned companies.



Khalifa
Alhammadi Almarzooqi
Chairman


Vice Chairman Foreword

The recent period witnessed extraordinary events that derailed many plans at several levels. Most notable is the Covid-19 pandemic, which has affected almost all countries worldwide. Still, it has also given us a rare opportunity to learn how to cope during a crisis and its devastating aftermath. MID Gulf Investments took steps to confront the crisis head-on, and as a result, both our internal and external operations achieved positive results and good gains.

We achieved a number of key results during the period from July 2021 to December 2022 which includes generating an average annual return of 10.3% since MID's inception, adding 35 new investments to our investment portfolio in private equity markets, and exiting some investments with profitable returns.

To ensure the success of our investments, we worked to expand and diversify them through direct investments in two key companies: US company SpaceX and the establishment of a joint fund with Chinese CMBI, both of them global entities with diversified investments. Moreover, we seized opportunities to exit several investments. These exits include fully exiting Cognate BioServices, a U.S. medical equipment manufacturing company, where we tripled our return on investment by 3.15x, with an internal rate of return (IRR) of 42%. Additionally, we completely exited Migros Stores in Turkey, where our return on capital increased 1.11x, with an IRR of 1.6%, and RAK Ceramics, where our return on investment increased 1.13x, with an IRR of 2.1%. We also partially exited some companies, such as First Data Corporation, a U.S. information technology firm, where our return on invested capital increased 1.34x, with an IRR of 2.6%.

With regard to the joint investment funds established in partnership with a number of our friendly nations, Vietnam-UAE Investment (VOU) entered a new investment agreement with CMES Company, a major player in the renewable energy market, for the development of rooftop solar power systems.



Engr. Mohammed
Taryam Bin Tariz
Vice Chairman

Moreover, the company fully exited from Van Lang University with an annual IRR of 17%. Elsewhere UAE India Joint Investment Fund fully exited from two investments marking an annual IRR of 47% and 18% respectively, and partially exited from one investment achieving an annual IRR of 25%. The fund achieved a return of 65% on subscribed capital. In addition, UAE Brunei Investment Company successfully increased its capital to USD 200 million by leveraging available opportunities and expanding its current investments in Brunei. Moreover, its Board of Directors gave the green light to the establishment of a private school in Muscat in partnership with Amity Group, a well-known educational services institution. Moreover, Spain UAE Private Equity Fund entered a new investment in Symborg, an international company with a focus on agricultural biotechnology.

On developments regarding MID Companies, we launched 'Rawabet Program' in Q3 – 2020. This program was launched to create a direct link between MID and the companies transferred to it as per Royal Decree No. 61/2020. The program aims to oversee their activities and ensure the implementation of clear governance frameworks that establishes key performance indicators. In addition, the program works towards enhancing their performance, assisting them in achieving their objectives and overcoming their challenges, synergize intercompany plans and roles, and lay firm foundations to support, engage and empower the private sector. Moreover, the program develops a comprehensive plan for boosting the investments of these companies and contribute to their In-country Value (ICV) efforts, exiting investments, partnerships, listing in the public capital markets, and other areas.

The program delivered a number of significant outcomes, the most important being the 'Code of Governance for MID Entities,' in addition to a set of policies and guidelines that will be implemented during the next

stage. MID also entered a new phase post the issuance of Royal Decree No. 57/2021 promulgating the system of MID, thus enabling its operations and governance.

Internally, 58 new employees joined MID from June 2020 to December 2021, bringing the total number of MID staff to 271 with an excellent Arab Emirate rate of 90%. During this period MID organized 65 training programs for their employees to develop their skills and capacities.

I would like to express my sincere thanks to all MID staff for their dedicated efforts to improve performance and deliverables at the organizational level. This includes the completion of the Electronic Records and Document Management System project (ERDMS), and obtaining ISO 9001:2015 certificate following the team-conducted assessment of contract management, procurement operations, facilities management, and security services. Moreover, we note the critical role undertaken by the Department of Economic and Investment Research at MID in highlighting potential events that might adversely impact the Global economy and MID investments, thanks to its implications-based forecasting. Likewise, the Department of Finance and Investment Operations succeeded in recovering withholding taxes on public market investments from a number of countries and successfully finalized the merger of SGRF, OIF, and the Ministry of Finance's assets in a smooth manner. I also extend my thanks and appreciation to MID's Board of Directors for their continued support during the last period.

Finally, on behalf of the MID I would like to take this opportunity to express my sincere appreciation and gratitude to His Majesty for his foresight, vision and wise leadership, which Inspired all of us to face challenges and move forward for the welfare of the economy.



Overview of MID Gulf Investments Performance

INVESTMENT



XX02

XX03

34%

12%

341

MID Gulf
Employees



September 2020

Launching Rawabet
Program for companies
transferred to MID

15.70%

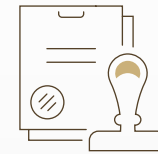
Average annual return
since MID inception
(Overall performance to
date is calculated using
the Time-Weighted Rate
of Return - TWRR)



Restructuring MID
Companies and
appointing their Boards
of Directors from a pool
of national competencies
and experts in various
fields from both
government and private
sectors

25

New Investments



Implementing the Code
of Governance for MID
Entities in accordance
with best local and
international practices



Rawabet Program





Rawabet Program

A program co-launched by MID Gulf investments in September 2020 to establish a direct link between MID and state-owned companies transferred to it as per Royal Decree No. 61/2020, in alignment with the wise vision of His Majesty Sultan Haitham bin Tariq.

Objectives of the Program

- To establish a general framework of guidelines that regulate the businesses of MID Companies
- To align the companies' strategies and priorities with Arab Vision 2040 and enhance economic diversification.
- To promote synergy between these companies.
- To develop frameworks and policies that ensure the participation of the private sector and SMEs.
- To establish a general framework promoting a culture of social responsibility.
- To establish a framework for scientific research, development, and innovation.



Rawabet Pillars

Rawabet comprises of six main pillars: Governance, strategy, synergy, in-country value, social investment, and research, development and innovation.

1. The Governance Pillar

This is one of the main Rawabet pillars given the significant impact of governance on formulating the management style, strategies, and policies of organizations. In addition, its significance in enabling them to make sound decisions and identifying the best approaches for risk management to achieve the goals of each entity.

Governance Objectives:

Establish systems and principles to document procedures and regulations, and define responsibilities, rights, terms of reference, and relations according to a clear work methodology.

Improve the effectiveness and efficiency of operations management and the utilization of public resources in areas that contribute to the achievement of strategic objectives

Enable boards of directors in drafting policies, assessing processes and services, and complying with laws.

Respond to requirements and needs with a high level of quality and at a reasonable speed to ensure stakeholders' satisfaction

Create a culture of accountability and transparency, and define parameters for performance and results.

Key Governance Framework Outputs:

- Publishing the Code of Governance for MID Entities in accordance with best local and international practices.
- Publishing policies and guidelines for MID Companies to be applied on different departments and areas as shown below, such as a procurement and tendering policy, and an investment policy.

MID conducted a comprehensive review of its companies, including an assessment of general rules related to their businesses, such as the board of directors charter, information security, legal affairs, procurement and tendering, internal auditing, risk management, business continuity management, In-country Value (ICV), and media and communications. In addition, it restructured and appointed the boards of directors of these companies, selecting its members from a pool of national competencies and experts in various fields from the public and private sectors. Several meetings and workshops were held with the boards of directors to develop performance indicators and engage all company stakeholders in the drafting and issuance of governance principles and a set of policies and guidelines for MID Companies.



2. The Strategies Pillar

This key Pillar of Rawabet focuses on establishing a comprehensive framework for developing business plans for MID Companies in line with MID's strategic priorities and Arab Vision 2040. The strategies aim to achieve financial and operational sustainability, set performance indicators for company plans and boards of directors, and encourage the private sector to contribute to current and future investments.

Key Strategy Outputs:

- ▶ Drafting 8 strategic priorities.
- ▶ Preparation and drafting of guidelines for business plans.
- ▶ Review of 20+ strategies.
- ▶ Develop performance indicators for the boards of directors of 13 companies.
- ▶ Approve business plans and budgets of 13 companies for the year 2022.

3. The Synergies Pillar

The main objective of this pillar is to create value by promoting joint work and integrated efforts between MID Companies and the public and private sectors. The desired outcome is for this pillar to lead to improved exchange transactions, creation of investment opportunities, increased efficiency by reducing duplication of efforts and resources, opportunities for In-country Value, and SMEs development.

A dedicated team oversees five main areas of synergies between MID Companies:

- Procurement and supply chains.
- Integrated investment initiatives.
- Digitalization.
- Human resources.
- Finance.

The synergies pillar contributes to achieving sustainability and integration among MID Companies, engaging SMEs and the private sector, increasing technical and innovative content, and developing robust operating models that enhance efficiency and effectiveness objectives aligned with Arab Vision 2040.

Rawabet in Figures:

20K

Average spending on the program, which is considered the lowest compared to similar projects

11

Published policies and guidelines

4+

Policies in progress

80+

Participation of MID experts

300+

Participation of experts from MID Companies

100+

Workshops with companies' senior managements

4

Forums at the level of Chairmen of the Boards and executives

4. The In-Country Value (ICV) Pillar

This important pillar is in alignment with Arab Vision 2040 as it aims to build a productive and diversified economy to achieve comprehensive and sustainable development. The application of ICV in MID Companies is in adherence to the national priorities set forth in Arab Vision 2040. The development of a general framework to implement ICV is achieved through three main areas:

Regulatory Framework:

Public policy, guidelines, and establishment of a baseline or starting point for all companies.

Awareness and Training:

Engagement, communication, awareness, and training.

Operational Model:

Implementation, performance indicators, reports, and dashboard.

In December 2021, the ICV initiative 'Qimam' was launched with the goal of maximizing retained value by contributing to rates, training and investing in

Global competencies, developing local suppliers, supporting SMEs, and encouraging and developing local industries.



Moreover, a package of incentives was offered to support SMEs (Riyada card holders), including::

- Allocating at least 10% of total spending to procurement.
- Awarding purchase orders or contracts of materials or services with a value of AED 10,000 or less.
- Awarding purchase orders or contracts of materials or services between AED 10,000 – 50,000 at a preferential rate of 10%.
- Payment terms of 15 days from the date of invoice receipt.
- Exemption from tender fees and bid bond requirements.

5. The Social Investment Pillar

Social Investment Objectives:

Establish a framework that ensures achieving partnerships in the area of social investment, in alignment with national priorities and sustainable development goals.

Enable governance through the drafting of a social investment policy.

Setting general performance indicators.

6. The Research, Development, and Innovation Pillar

Research, Development, and Innovation Objectives:

Establish a framework for research, development, and innovation in line with national priorities.

Engage different parties and stakeholders to increase the level of awareness in these areas.

Develop an effective governance framework that drives performance development.





MID Gulf Investments Strategy



Investment Strategy

Investment Sector

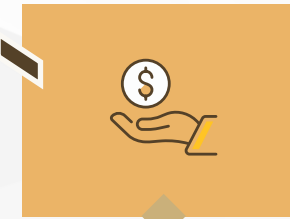
Our investment unit oversees the implementation of MID's investment Strategy by, continuously managing and monitoring the assets in-line with the overall framework of MID's policy. It makes necessary adjustments in response to economic and market fluctuations, to ensure the development and growth of assets.

MID aims to build an investment portfolio that is diversified across a wide range of asset classes and geographic locations, and within established risk parameters to ensure sustainable long-term returns.



Best Practices:

MID follows an investment strategy that is both prudent and flexible. It takes into account general risk parameters and adopts international best practices in developing its investment strategy. These practices include:



Asset Allocation



Managing geographic concentration of investments



Selecting promising sectors according to major economic and market trends globally.

Investment Categories:

MID Gulf Investments focuses on two primary investment categories:



Public Market Assets

Global equity, fixed income bonds, and short-term assets



Private Market Assets

Private investments in real estate, logistics, services, mining, industrial and technological projects, infrastructure, food, and healthcare

Department of Economic and Investment Research

Overview

The COVID-19 pandemic has had a significant impact on world economies over the past period. To identify, monitor, and predict the pandemic's impact, the Department issued regular weekly reports to explain the movement of global markets during the pandemic and its implications on MID's local and foreign investments. In addition, it regularly followed the decisions issued by the 'Supreme Committee entrusted with undertaking measures to tackle developments resulting from Coronavirus (COVID-19) pandemic' to trace their impacts on the Emirate's economic sectors.

Aside from the pandemic, the Department continued to perform its normal functions::

International Reports

Which covered:



Argentina



EU



India



Mexico



Turkey



UK



USA



China



KSA



Qatar



Pakistan



Tanzania

Special Reports



Developments of the UK's withdrawal from the EU (Brexit).



Crisis of the Turkish currency and oil prices



Key global investment trends



U.S. elections



Stock market crash and oil prices decline



Challenges facing a number of key sectors in the Sultanate



Markets

U.S. stock markets witnessed a record rise, as Standard & Poor's 500 Index posted unprecedented returns of 26.9%, supported by the energy sector which was among the worst-performing sectors in 2020. Likewise, the Nasdaq and Dow Jones indexes registered significant returns. Still, emerging markets lagged behind compared to developed markets, driven by stringent reform agendas that affected a large number of sectors including education, e-games, and real estate. Moreover, China's Evergrande Group, the world's most indebted property developer, posed a major challenge in the real estate sector after defaulting on its bonds.

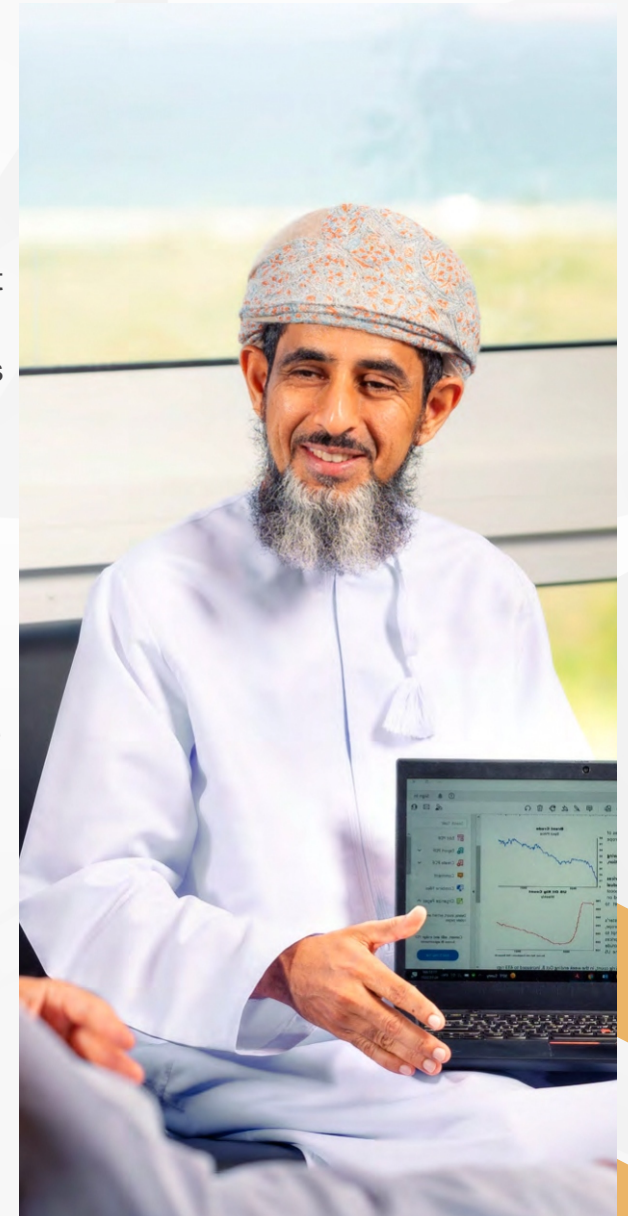
The significant recovery in oil prices that began in Q3-2020 continued, despite obstacles that led to a decline in prices from USD 80/barrel levels. In addition, the emergence of the Delta variant in the summer and the Omicron variant in November was the primary cause of oil price fluctuations. Brent Crude and UAE Crude closed with an increase of 50.1% and 50.2%, respectively, in 2021 as the intervention by OPEC, accompanied by the recovery of global demand, contributed to

increased oil prices. It should be noted that Europe witnessed a decline in natural gas supplies due to the rising geopolitical tensions between Russia and the European Union.



Currencies

The US dollar index closed up by 7% amidst expectations of an interest rate rise by the Federal Reserve. The Canadian dollar was among the best-performing currencies against the U.S. dollar, surging by nearly 1 percent on anticipations that the Central Bank of Canada would tighten its monetary policy at the beginning of 2022. The Japanese yen, with its 10.3% decline, posted the worst performance. In the main emerging markets, the Chinese yuan rose by 2.6% against the U.S. dollar, while the Turkish lira was the worst-performing currency in 2021, recording a 44.5% decrease due to an unprecedented high inflation rate and unsupportive monetary policies.



Major Global Trends:

Factors affecting the global investment environment and MID Gulf investments strategy

When planning and implementing investment strategies, MID analyzes key economic indicators and their impact on market direction around the globe with the goal of identifying:

Key Sectors

Emerging Market

Potential Risk

Investment Opportunities

Five Interrelated Trends

MID researchers have identified five major trends posing the most significant impact on the investment scene. All of these trends are interrelated, as they affect each other. For instance, global demographic shifts - population growth and expansion of urban areas and cities – are straining resources and driving the need for technology-based sustainable solutions. The innovative technologies driven by these needs are poised to shape our future and affect the business landscape, as well as the stability of governments and communities.



1- Leading Technological Innovations

Major trends in technology such as artificial intelligence, internet of things, internet of behavior, big data, quantum computing, nanotechnology, blockchain, DNA sequencing, robotics, energy storage, and 5G are fast emerging.

2- Demographic and Social Changes

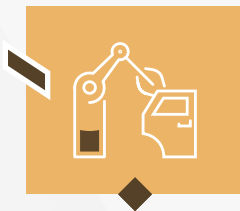
Opportunities for countries with the highest aging populations:

Health technologies: E-medicine, robotic surgery, chronic care, home health services, robotics and artificial intelligence -to reduce pressure in the labor market, nursing homes, accommodation facilities for the elderly, hospice care, and Silver Tec -a technology that helps the elderly stay healthy and active.

Countries with growth in young populations have the following opportunities:



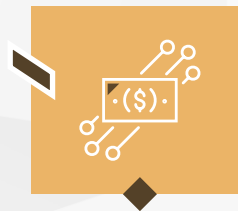
Educational services



Vocational education



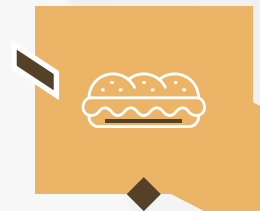
Training programs



FinTech



Parks and recreational facilities



Fast food

3- Urbanization

In 2008, the majority of the world's population lived in cities, and by 2050, two-thirds of the world's population will live in urban areas, according to UN reports.

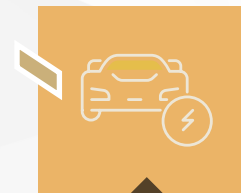
Investment Opportunities include:

Civil transportation, public transport infrastructure, and financial technology; with mounting pressures on service providers, telecom service providers, real estate rentals, waste management, climate change, and resource scarcity.

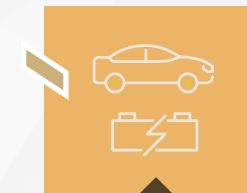


4- Climate Crisis and Resource Scarcity

With the world population expected to increase to 9.7 billion by 2050, challenges for natural resources will increase dramatically. Meanwhile, the pressing issue of global warming will further deplete already dwindling resources. Opportunities include mobility enablers such as:



Electric cars



Battery manufacturers



Charging stations



Different types of energy storage



Eco-friendly agriculture



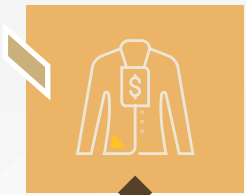
Water purification systems



Food security

5- Changing Economic Forces

Consumption patterns will redefine regional economic significance with the rising influence of Asia, as the region will represent 66% of the global middle-class population by 2030, marking a 28% increase from 2010. This in turn will create more opportunities to supply the growing middle class in emerging countries with goods and services, including:



Designer clothes



Fitness service providers



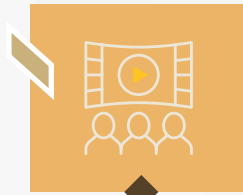
High-quality food



Broadcasting and gaming services



Travel



Low-cost entertainment activities

The Next Eleven (N-11):

The Next Eleven is a list of emerging market economies described by Goldman Sachs as the new version of the BRICS countries with the fastest economic growth, as they produce about 7% of the global economy. More than half of the population of these countries live in urban areas, except for Bangladesh and Vietnam, whose populations are mainly rural. While these countries are attractive to investment in infrastructure, human capital remains an obstacle given their decreased life expectancy rates and growing need for increased health sector spending, even though their health spending exceeds that of BRICS. Moreover, technology plays a vital role in the long-term growth that competes with the BRICS countries.

The N-11 countries are:



Bangladesh



South Korea



Vietnam



Philippines



Iran



Pakistan



Indonesia



Turkey



Egypt



Nigeria

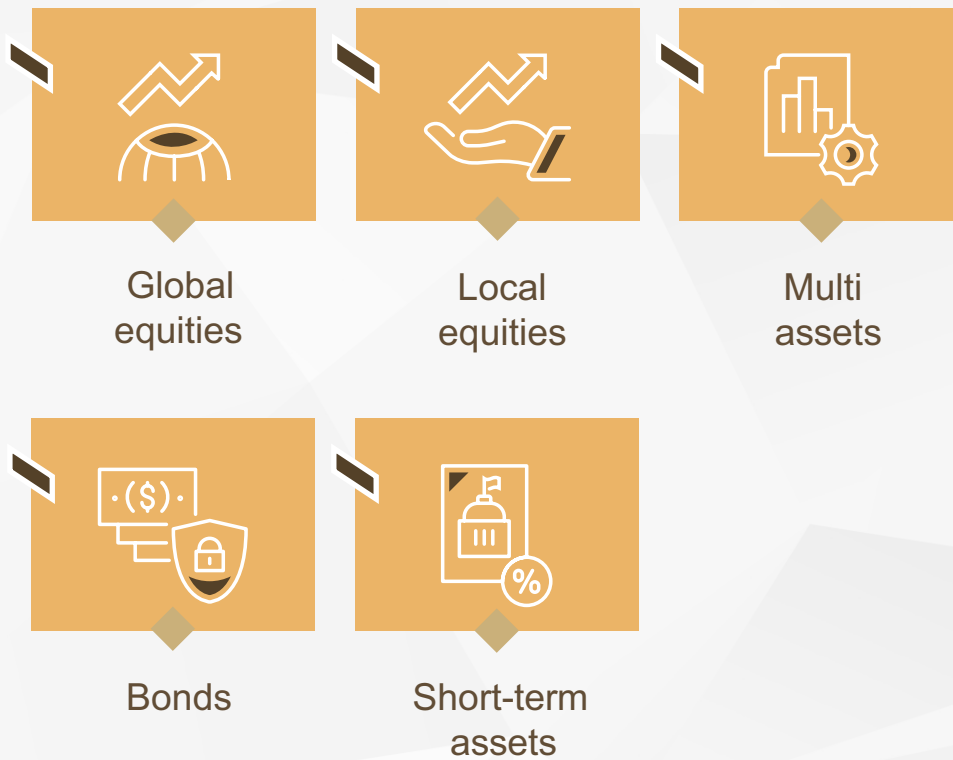


Mexico

Investment Portfolios

Public Markets Portfolio

Investments in this portfolio include liquid financial securities that can more easily be converted into cash relative to private markets. These include:



Global Equities

The global equities portfolio invests in various world regions, countries and companies, namely in the following regions:

North America

Europe

Emerging Markets

Asia and the Pacific

These regions comprise 46 countries across 11 sectors, and over 3,000 companies, allowing diversification of investments and the spread of portfolio risk. This also helps grow investment returns through the studied allocation of investments in certain regions, countries and companies in addition to deploying into actively managed funds.

Global Bond Portfolio

The global bond portfolio invests in a diverse range of publicly traded sovereign, quasi-sovereign and corporate debt securities in over 35 bond markets worldwide, including securities in emerging and developed markets. The main objective is to improve overall risk-adjusted returns through diversifying overall return and risk sources in portfolio investments.

Short-term Assets

Short-term assets are among the safest investments, since they retain liquidity value. These include



U.S. Treasury bills



Sukuks



Deposits in local banks



Corporate deposits

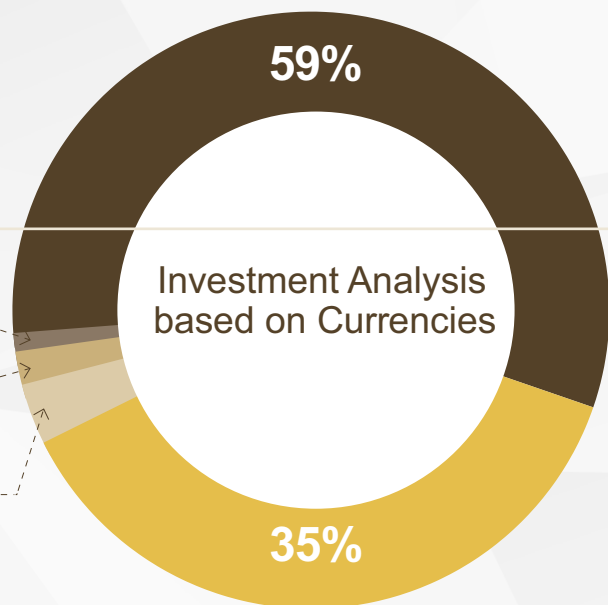
Local Markets

Investments in local markets enhance portfolio value, ensure stability during financial market fluctuations, and add new tools and activities to develop capital markets in the Emirate. These investments cover several sectors, including finance, industry, and service sectors.

Multi Assets

This is a strategic investment portfolio in a broad and diversified combination of asset classes and financial instruments, with the aim of achieving an absolute level of return through balancing the returns and risks of a public market portfolio.

Asset Distribution December 2021



1%
3%
2%

59%

35%



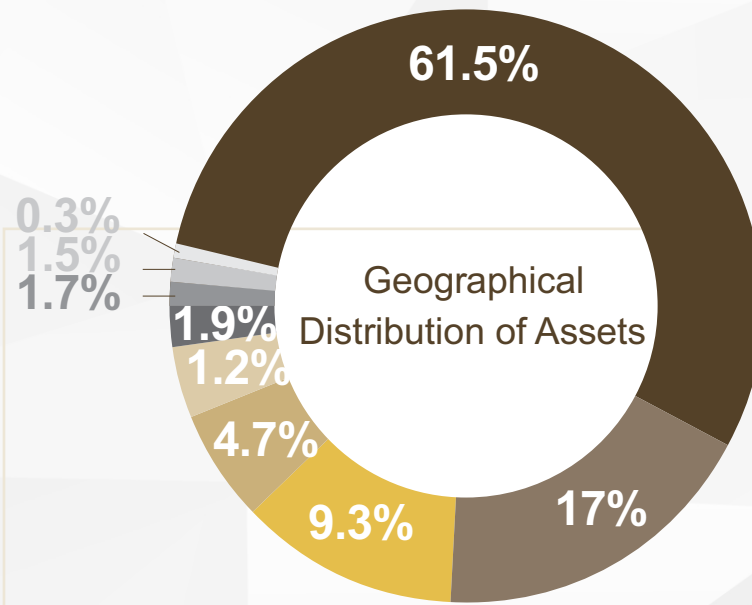
50%

44%

2%

3%

1%

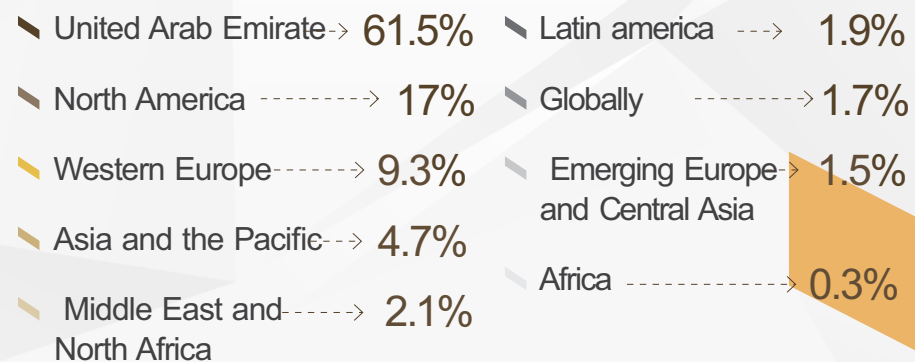


0.3%
1.5%
1.7%

61.5%

9.3%

17%



United Arab Emirate → 61.5%

Latin America → 1.9%

North America → 17%

Globally → 1.7%

Western Europe → 9.3%

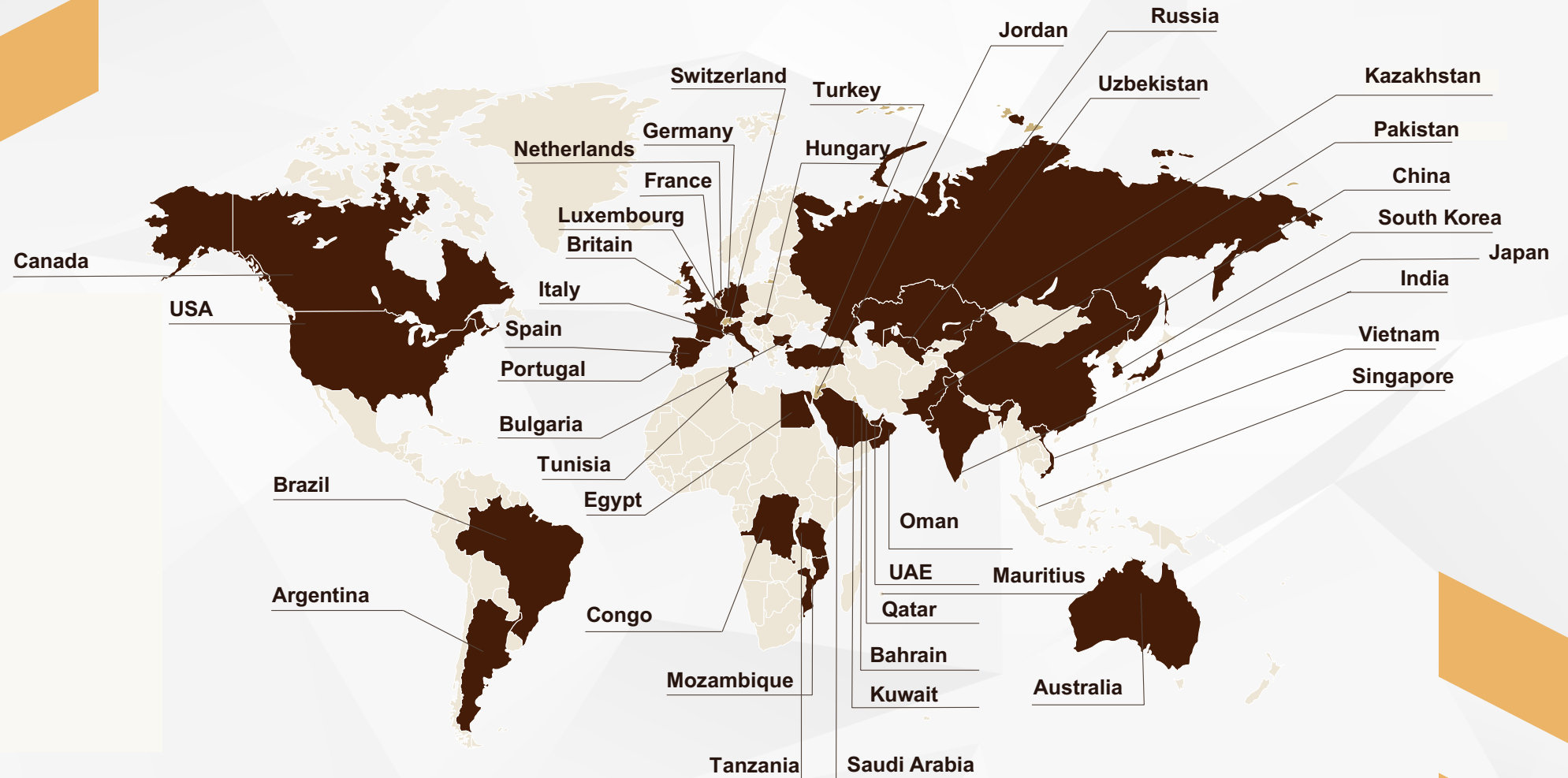
Emerging Europe and Central Asia → 1.5%

Asia and the Pacific → 4.7%

Africa → 0.3%

Middle East and North Africa → 2.1%

Geographical Distribution of MID Gulf Investments in 40 Countries (December 2021)



Oversight and Monitoring

All assets are subject to close monitoring by the Governance, Risk, and Compliance Directorate to:

Ensure the distribution of assets according to the allocated strategic and tactical quotas.

Ensure a sound and robust investment status of the portfolio.

Achieve MID Gulf Investments long-term objectives.



External Management of Investments

To guarantee the selection of the most experienced portfolio management entities, MID sets strict criteria for choosing its external investment managers. Following their appointment, MID continuously monitors their performance to ensure compliance with investment guidelines and mandated objectives. It also works closely with them to benefit from their research resources, technical skills, and knowledge transfer.

Performance Summary:

Local equities outperformed the benchmark due to security selection and tactical allocation. The main contributors were banking stocks.

Global equities lagged against the benchmark due to lower risk appetite. On the other hand, the exposure to short-term assets and fixed income provided balance to the portfolio.

Global bonds outperformed benchmarks due to the high demand for high-quality bonds.

Short-term assets outperformed general benchmarks due to high demand for domestic fixed deposits.

Banknotes led multiple assets to outperform benchmarks.

Domestic markets witnessed a significant recovery despite sluggishness due to the drop in equities.

Private Markets Portfolio

MID ensures diversifying its long-term investment portfolio by investing in non-tradable assets which are divided into two categories:



Private equity



Real estate

Private equity

The private equity portfolio is diversified across several sectors in more than 35 countries around the world. Investments in this category of assets are subject to a set of criteria with a focus on long-term outcomes while taking into account geographical distribution and the ability to exit. Investment decisions are taken prudently after conducting financial, technical, legal, and business studies, as well as risk and business assessments.

Heron Tower – London, UK



MID is keen to establish strategic partnerships with the best investors, prominent business groups, and other top performers in the markets it invests in.

Sectors

MID Gulf Investments strategy targets five major sectors:



Healthcare



Mining



Ports & Logistics



Food Industries



Diversified investments including education, services, technology, and infrastructure.

The private ownership portfolio in these sectors is divided into three categories:



Direct
investments



Investment
funds



Investments
through joint
ventures with
friendly countries.

Asset Management

MID Gulf Investment MIS and Transaction Support Department continuously monitors the performance of private ownership investments and does the necessary to ensure the improvement of their performance.

Real Estate

Real estate, with its different asset types and strategies, is considered to be among the resilient investment sectors as it offers capital preservation possibilities and long-term income generation.

MID Gulf Investments real estate team performs the following:

Invests in diversified strategies, sectors, and geographical locations, taking into consideration the generation of long-term good income at low risk.

Follows a clear strategy to target investment areas with partners.

Seeks a balanced portfolio by searching for investment opportunities geographically distributed across Asia and North America.

Establishes partnerships with friendly countries and invests in joint ventures with partners with expertise in the target areas.

Real Estate Portfolio

MID's real estate portfolio is diversified between a number of development, added-value, and core long-term projects to achieve the desired returns with acceptable risk levels.

Principal Assets

Principal real estate assets are defined as direct investments in developed markets benefiting from long-term lease contracts with strong tenant covenants aimed at achieving sustainable income with no requirement of management by MID.

Partnerships

For real estate development projects, MID enters into partnerships with real estate developers to leverage their technical knowledge and expertise.

Investment Funds

In addition to core investments, which are direct investments, MID invests with major real estate funds that have knowledgeable and extensively experienced managers.

Performance of Investment Portfolios:

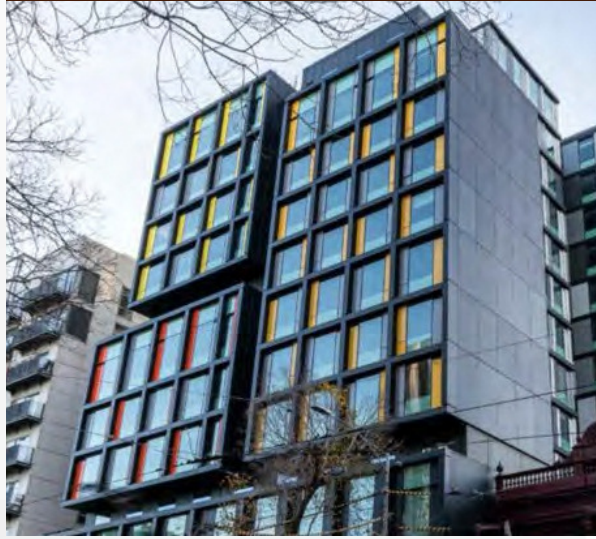
- Since its inception in June 2020 through December 2021, MID entered 31 new investments in private equity funds in accordance with its approved strategy.
- Investing in SpaceX, a U.S. company specializing in space exploration technologies and operating in the aviation and space transport industry.
- Establishing an investment fund with China Merchant Bank International (CMBI) to invest in future technologies.
- Investing in Muscat Stock Exchange, established pursuant to Royal Decree No. 5/ 2021.
- Investing in Mycotechnology, a U.S. company specialized in the production of alternative food using the latest food technologies.



Scape Aurora – Australia



Scape Lincoln Square – Australia



LaSalle building – China



Mill Harbour building – United Kingdom



HYLO building – UK



ماشاء الله عماد الدين للاستثمارات الخليجية

**Mashallah Imad al-Din
Gulf Investments**

Zamalek Tower – Egypt



Heron Tower – United Kingdom



Eclipse building – Germany



Scape Kingsford – Australia



12 Arthur Street – United Kingdom



ماشاء الله عماد الدين للاستثمارات الخليجية

**Mashallah Imad al-Din
Gulf Investments**

Exiting Investments:

✦ Zamalek Tower

Partial exit from a real estate project: A tower located in Zamalek Street in Egypt

✦ Cognate BioServices

Full exit from Cogent Biosciences, a U.S. company operating in the health sector, with an IRR of 43.4%.

✦ RAK Ceramics

Full exit from RAK Ceramics in the United Arab Emirates, with an IRR of 2.1%.

✦ 90 Rue de Courcelles

Full exit from the real estate project '90 Rue de Courcelles' in Paris, with profits 1.996x the investment value.

✦ Housing Bank for Trade & Finance

Full exit from the Housing Bank for Trade & Finance, which has several branches in the Middle East and North Africa, with an IRR of 12.8%.

✦ Kenmare

Partial exit from Kenmare, a mining company in North America

✦ Al Ahli Bank

Full exit from Al Ahli Bank.

✦ Migros

Full exit from Swiss retail company Migros, owner of Turkey's biggest supermarket chain, with an IRR of 1.6%.

✦ First Data

Partial exit from First Data, the leading U.S. company in the field of fintech and payments



Strategic Joint Ventures

These joint ventures were the result of Kuwait diplomatic efforts and distinguished relations with other countries around the world. These JVs are mostly concentrated in Asian markets, which represented a robust start to enter into these promising markets.

▸ **Vietnam UAE Investment Co.**

Vietnam UAE Investment Co. (VUI) was founded in 2008 as a joint venture between MID and the State Capital Investment Corporation of Vietnam. VUI invests in businesses and projects in Vietnam which can contribute to development and create sustainable economic growth. The capital of this joint investment is USD 200 million and comprises of 12 investment portfolios.

Key Highlights:

- USD 20 million investment in CMES Company, specialized in the development of rooftop solar power systems.
- USD 30 million investment in VPI, a real estate development company.
- Full exit from investment in BCG solar power plant, with an IRR of 13%, or 1.3x the investment value.
- Partial exit (70%) from CII, a company specializing in infrastructure development projects, with an IRR of ~13%, or 2.4x the investment value.
- Review and update of the company's investment plan in order to handle expected changes in the Vietnamese market, with a focus on the following promising sectors: Technology, education, healthcare, logistics, retail, and industrial zones.

India Joint Investment Fund

A joint investment fund between MID and the State Bank of India. was established in 2011 and invests in different economic sectors in India.

Key Highlights:

India Joint Investment Fund (I)

This is a 50/50 joint investment fund between MID and the State Bank of India with a capital of USD 100 million.

Its portfolio has 7 investment projects.

It exited completely from 13 investments and partially from one investment, with an IRR of 2.3x the investment.

The fund is currently considering exiting from its remaining investments

India Joint Investment Fund (II)

The capital value of the second joint fund is USD 229 million, of which MID owns 63%, the State Bank of India owns 22%, and other investors own 15%.

Over 80% of the fund's capital is directed to investment projects.

Uzbek Investment Co. (UOI)

This joint venture was established in 2010 between MID and the Uzbek Reconstruction and Development Fund (75% MID and 25% Uzbekistan). The fund's capital is USD 200 million. UOI was established by virtue of a presidential decree, which exempted the company from taxes for another ten years. The joint venture invests in textiles, food, pharmaceutical products, retail, financial and technological services, real estate, and foreign currencies.

Key Highlights:

The Fund currently has 12 investment projects.

It fully exited from the following assets: Polifleks, Polispektr, Prime Ceramics, Binokor TBS, Binokor HBF, Gold Dried Fruits Export.

The company proposed restructuring its investment portfolio, and the Board of Directors approved this proposal in Q4-2021 to maintain the portfolio's value and improve its returns by shifting from low-return assets to high-return assets.

Brunei Investment Company (BIC)

Brunei Investment Company (BIC) was established in October 2009 as a 50/50 joint venture between MID and Brunei Investment Corporation. BIC's investment strategy focuses on the maximum capital utilization in companies with high growth potential through private equity and investment in new projects or joint ventures. BIC seeks to achieve an IRR between 12-15% through a diversified portfolio that includes services, industry, healthcare, education, and tourism.



Key Highlights:

BIC was founded with an initial capital of USD 100 million, which was later increased to USD 200 million in 2019. The company invests in assets valued at USD 1 billion.

Contribution to the development of several key projects in Emirate, including Kempinski Hotel Muscat, Oan International Hospital - which a Portuguese operator manages, a water desalination plant in Sohar in partnership with a specialized company from Spain, and a portfolio concerned with aircraft rentals in partnership with a German company.

Development of a private school in collaboration with an international specialized education company.

Investment in projects in the Sultanate of Brunei, including a shrimp aquaculture project, with another salmon aquaculture project in the works.

Profitable exit from previous investments such as Majan Telecommunication (Renna Mobile), Babylon Medical Services, and a stock portfolio specialized in the energy sector.

Spain UAE Private Equity Fund

Spain Private Equity Fund is a 50/50 joint investment established in 2014 between MID and COFIDES, a company owned by the Spanish Government which provides financial support to Spanish enterprises abroad.

Key Highlights:

The capital of this joint fund is EUR 200 million.

It has 6 investment projects representing 43% of the fund's total capital.

A new investment in April 2021 in Logalty, a company specializing in providing electronic evidence generation services for e-contracting, communications, and personal identification.

Local Investments:

In addition to its investments worldwide, MID seeks to invest in assets that are expected to add value to Arab society and the national economy. MID uses its wide international networks to support the government's strategy to attract foreign investments. Pursuant to Royal Decree No. 61/2020 establishing MID Gulf Investments, all State-owned companies, investments, and assets, except for PDO and the government's shares in certain international institutions, were transferred to MID from the Ministry of Finance. MID plays a vital role in the governance and management of these companies to align their policies and regulations with its supreme policies to consolidate and align them with Arab Vision 2040, namely: Developing economic diversification resources, increasing the share of non-oil revenues in the GDP, and attracting foreign direct investments to the Emirate.



Local Investment Sectors: _____





IDO Investments

- From the inception of MID through the years, IDO Investments secured 6 investment opportunities with Congenica, eMushrif, Drago's, Crusoe, Gradient, and Kuniko.
- The company continued its investment in Polaris Medical Co. and Teal Drones, Inc.
- The company approved an improvement program for critical investments to keep pace with urgent changes that companies may face in some of the Emirate's key sectors. Thanks to this program, the company has provided flexible financial mechanisms to Akeed Company and Aphcarios, a leading ventilator manufacturer.
- IDO Investments established a new platform that acts as an incubator for startups and innovation in the Emirate. It comprises a website that provides the opportunity for entrepreneurs to present their work, access resources, contact consultants in relevant fields of interest, and obtain a general understanding of the nature of startups.



Majan Glass

- The company delivered its products to top glass companies in the US and UK, in addition to several new clients in the region

National Assets



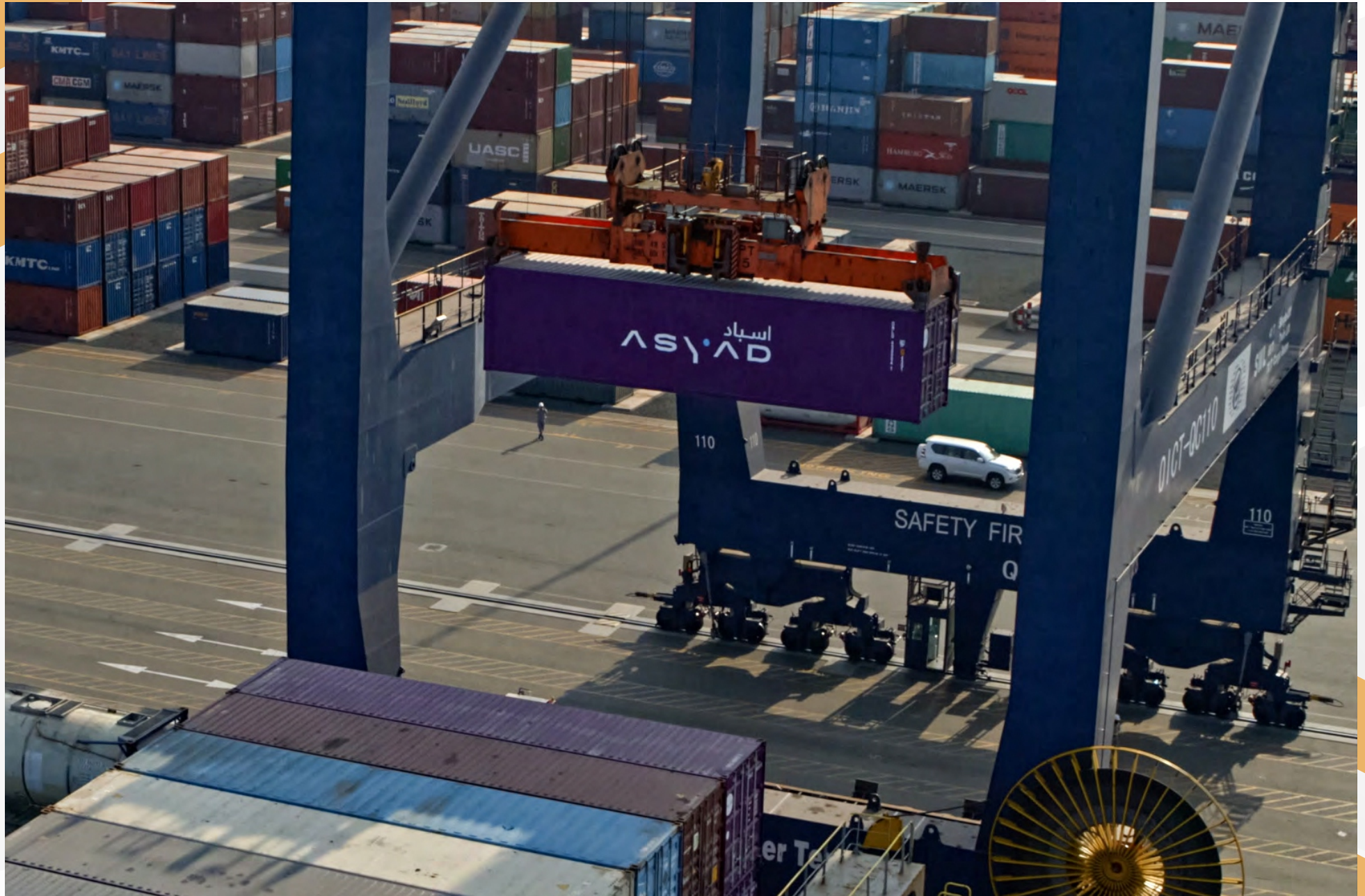
OQ

- Approved an exit plan valued between AED 1.5 billion and AED 2 billion through selling some shares to the private sector or offering them for subscription in the public capital market and attracting strategic partners to benefit from their knowledge and improve performance.
- Exited from its investment in Bharat Emirate Refineries and REN Company and transferred the company's shares in UAE Shipping Company to MID.
- Launched the Alternative Energy Department to support renewable energy initiatives like green hydrogen and ammonia. In addition, it signed several agreements with international companies to develop several renewable energy projects in Dhofar and the Special Economic Zone at Duqm.
- Issued bonds valued at AED 288 million in the international capital markets at a competitive price, with significant participation of major investors and financial institutions.
- Commissioned a significant package of development projects: the Liwa Plastic Industries Complex project (AED 2.7 billion), the Liquefied Petroleum Gas project (AED 326 million), and the Ammonia Project (AED 178 million).
- Increased production 5x at the Bisat Project and reduced the cost of well drilling by 20%. The company completed the Bisat B Project in record time, about 14 months, which made it possible to double production well above capacity in Concession Area No. 60.

- Completed negotiations with partners and signed a number of agreements with the Ministry of Energy and Minerals, Shell, and Marsa LNG (an alliance between OQ and Total) to develop Concession Area No. 10. Production of gas and oil condensate is expected to begin in mid-2023.
- Despite the challenges faced by the company due to the Covid-19 pandemic, its plastic polymers were exported to more than 75 countries, with optimum satisfaction among customers.
- Developed a general governance framework for social investment programs, and a medium-term strategic action plan for all social investment programs, sponsorships, and voluntary initiatives, in addition to initiating the implementation of 13 sustainable projects across different governorates.



- Posted a net profit of AED 52.4 million in 2020 and a net profit of AED 47 million in 2021.
- Recorded positive growth of 5% in the volume of containers handled in the ports run by the group in 2020, and positive growth of 2% in 2021.
- Contributed to the management of the COVID-19 crisis by ensuring continuity of port operations and the smooth commercial movement and transport of main consumer commodities.
- Classified as the fastest handler of containerhips in the world by the United Nations Conference on Trade and Development (UNCTAD).
- Expanded its network of container shipping lines and inaugurated the first direct shipping line between the Emirate and Arabian Gulf ports (Gulf Express Line).
- Restructured its asset portfolio through integration and merger of the group's subsidiaries, privatization, or cancellation and transfer of non-core activities to the competent entities.
- Restructured the International Maritime College Emirate (IMCE) prior to transferring it to one of the private universities or colleges, which led to an annual saving of half a million AED.
- Launched an interactive and systematic database to study and analyze data for tracking the movement of the Emirate's imports and exports.
- ASYAD Dry Dock registered net profits for the first time since its incorporation in 2011 as a result of establishing new sources of income, rationalizing spending, increasing productivity, and targeting projects with high-profit margins.
- Asyad Shipping generated record revenues totaling AED 52 million as a result of improved performance of the containers sector, and expansion of the company's commercial operations and shipping network.
- Exited UAE International Container Terminal and generated good returns from the transaction.
- Launched marine services at Duqm Port, in addition to running operations of the general cargo terminal at the port.
- Operation of Khazaen Dry Port, the first in-land dry port in the Emirate.
- Launched the one-stop shop at Salalah Port.
- Invited tenders for the management and operation of the container terminal at Duqm Port.
- Launched the giant oil tanker (Dhalkut), adding it to its maritime transport fleet.
- Set up the construction operations of small and medium-sized ships in the dry dock, and handed over the first ship to one of the private sector companies.
- Established ASYAD Express Completion and Distribution Center, which provides integrated and innovative services and solutions.
- Restructured the postal network and closed 14 unprofitable branches, leading to financial savings.
- Established the Integrated Logistic Commercial Shipping Services (ILS) and launched its first service.
- Forbes Middle East classified Asyad Group as the fourth largest logistics company in the Middle East and North Africa.
- Completed the first phase of Khazaen Economic City, in addition to attracting 58 local and international investors, for a total investment value of AED 96 million within a short period.





Nama
Group

- Completed the restructuring of the water and wastewater sector to form: Dhofar Integrated Services Company and Emirate Water and Wastewater Services Company.
- Reduced the financial impact of redirection of electricity subsidies on social security families, low-income families, and small and medium-sized enterprises by allocating AED 600,000 to partially cover their bill payments. Moreover, the distribution companies suspended the procedures for disconnecting electricity from customers for a period of 6 months.
- UAE Power and Water Procurement Company (UPWP), one of the Group subsidiaries, announced the launch of two solar power plants (Manah Solar I and II). In addition, the company signed a power purchase agreement (PPA) with Shams Ad-Dhahira Generating Company to build a 500 MW solar power project in Ibri. It also executed a water purchase agreement for the Al Ghubrah 3 Plant in order to produce 300,000 m³ of water per day, as well as a water purchase agreement for the Barka-5 Power and Water plant to produce 100,000 m³/day.
- Increased the percentage of consumption measured by smart meters to exceed 40% of total power consumption.
- Launched the Naqla Project to train and qualify 125 aspiring Emirate electrical technicians.
- Launched Wayakum, the largest technical volunteering program of its kind, with more than 237 volunteers who repaired 4376+ houses damaged by Cyclone Shahn.
- Started the commercial operations of Ibri II Solar Power Plant in September 2021.



LNG

- Produced 20.8 million metric tons of LNG.
- Achieved a record plant efficiency rate of 97%.
- Attracted national competencies, reaching a rate of 91.7%.
- Loaded 318 LNG cargoes from the company's plant in Sur, including 233 cargoes for UAE LNG and 85 cargoes for Qalhat LNG.
- Offered 100 training opportunities for graduates in collaboration with MID and the Ministry of Labour.
- Added 8 new cargoes to the annual production capacity through the strategic debottlenecking project.
- Allocated USD 9.9 million to support social responsibility programs, contributing a total of USD 16 million to support efforts to mitigate the impacts of Cyclone Shahn.
- Produced the first carbon-neutral LNG shipment for environmental projects in the Middle East, which utilizes nature-based carbon credits to offset full lifecycle CO₂ emissions.
- Commissioned the first gas-powered plant for electricity generation in the Emirate, leading to enhanced efficiency and reduced emissions.
- Offered 700 job opportunities through contracting agreements, and supported 50 SMEs in various fields.
- Awarded projects worth AED 22 million to local companies.
- Reached 10.25 million hours, 688 working days, and 36.6 million km driven without a Lost Time Injury.
- Conducted 9 studies on promoting research, development, and innovation in order to develop local capabilities through green hydrogen and technology-related projects.



Minerals Development

- Entered into a partnership with Stork International, with a 35% stake in the Sohar Titanium project, and began the engineering design phase of the project.
- Acquired a 14.8% stake in an integrated castings project for the production of high-quality aluminum alloy wheels in the Sohar Industrial Zone.
- Entered into a partnership with a local company and another international company to study and develop a salt production project in Mahout (Naqaa Salts) for use in downstream chemicals and other industries. All necessary environmental and exploration permits were obtained.
- As part of MID's efforts to restructure government investment assets transferred to it, Emirate Mining Company was transferred to MDO, which focused on restructuring the debts incurred by the company and on developing a plan for transferring Emirate employees to a number of the group's projects. It also conducted studies for a number of geological assets owned by the company, such as limestone in Wadi Al-Jizzi and Block 4 in Sohar.
- Transfer of MID's 20% stake in Kunooz Holding, which specializes in the mining, quarrying, and construction materials sectors, to MDO.
- Acquired 70% of Duqm Quarries.
- Entered into economically feasible projects, such as the Mazoon project for copper ore mining in Yanqul, the Shaleem Project in Shaleem and Al Hallaniyat Islands, for mining industrial minerals, such as limestone, gypsum, and Dolomite rock.
- Acquired 12 concession zones with a total area of 21,000 km² for exploration activities across different governorates of the Emirate.
- The company has continued its exploration program efforts of cataloging geological assets in order to create a detailed and scientific minerals database for the Emirate.
- Ahjaar Mining began its commercial operation phase of the Gabbro Quarry in Liwa.





Fisheries Development S.A.O.C. (FDO)

- Coordinating with Export Credit Guarantee Agency of Emirate S.A.O.C (Credit Emirate), in collaboration with the Spanish Export Credit Agency to facilitate the construction of two fishing vessels for large pelagic fish in the Indian Ocean, including yellowfin tuna.
- Added 'Al-Wusta Jewel' to its commercial fishing fleet of pelagic fish, increasing the number of large commercial fishing ships that handle integrated processes, including fishing, processing, packaging, and selling to 3. The vessel has 60 crew members, and its production capacity is about 1,600 tons per voyage.
- A new tuna fishing vessel is currently under construction in Spain and is expected to enter into service in 2023.
- The Qurun Shrimp Farm initiated operations in late 2021 and work is currently in progress to complete the shrimp farm in Khuwaimah, which is expected to commence operations in 2022.



Food Investment Holding Company (FIC)

- The One Million Date Palms Project was transferred to the company, which will help increase the local production of high-quality dates, as well as increase exports of UAE dates to international markets.
- Al Bashayer Meat Company commenced its operations in Thumrait as the first and largest integrated red meat project in the region. The project expanded to export its products to GCC countries and Africa. The company is expected to contribute to increasing the self-sufficiency of red meat in the Sultanate from 37% to 46%.
- Established the Agricultural Production and Marketing Company, which works with farmers by building centers for collection, sorting, classification, and packaging of their agricultural products, according to type and quality, in order to meet market requirements.
- Mazoon Dairy launched more than 220 different products and increased the company's Emirate rate to 70%.
- Started exporting Mazoon Dairy products to more than 14 countries.
- Completed 91% of Al Namaa Poultry Project.
- Commenced operation of Al Murooj Dairy Company, establishing 3 centers for the collection of camel and cow milk.



OMRAN Group

- ✓ Inaugurated the 112-unit Alila Hinu Resort in Mirbat, Dhofar.
- ✓ Several assets were transferred to UAE Group such as Alila Salalah Company, Yiti Tourism Development Company, and the Green Peak project.
- ✓ Transfer of MID's shares in ASAAS to UAE.
- ✓ Inaugurated the dusitD2 Naseem Resort, Jabal Akhdar, in Al Dakhiliyah, which has more than 250 hotel rooms and suites.
- ✓ Started construction works for Yiti City Project in Muscat, with a total area of +11 million m².
- ✓ Started construction works for Al Haffa Market in Dhofar.
- ✓ Studied and reassessed the Sultan Qaboos Port waterfront development project.



Development Bank

- ✓ Implemented Royal Orders regarding the exemption from interest on accrued loan payments and the launch of an interest-free and fee-free credit facilities package program for self-employed individuals involved in projects affected by the Covid-19 pandemic.
- ✓ Responded to directives of the Central Bank of the UAE regarding the postponement of loans for the second, third, and fourth packages. Also deferred installments of emergency loans for Programs 1 and 2 until the end of 2021, and launched a financing product for SME projects affected by the pandemic.
- ✓ Launched Rifi, a financing product for rural women.
- ✓ Launched an automation system for microloan applications.
- ✓ Activated an online application system through the official website for microloan applications.
- ✓ Launched an internal audit automation program compliant with international standards.
- ✓ Approved the financing of 4,687 loans during 2021 for AED 53.9 million, of which AED 49 million were disbursed in the same year.

- Completed the closing of the first cell in both Barka and Al Multaqa engineered landfills.
- Designed and constructed Al-Mudhaibi Integrated Engineered Landfill, which was carried out by qualified UAE employees in the company.
- Opened a leachate treatment plant in Barka's engineered landfill.
- Started waste management operations in PDO's oil fields.
- Signed contracts with several industrial waste generators: Vale, UAE LNG, Halliburton, Schlumberger, and OQ.
- The company was included on Forbes' list as one of the Middle East's most sustainable companies.
- Revenues collected from hazardous industrial waste totaled AED 2.5 million.
- The company's Ramadan campaign placed second in the ISWA Communication Awards in 2021.

- Launched the first Emirate solutions using IoT and made an investment in Onsor, the Sultanate's first computer manufacturer.
- Restructured UAE Technology Fund (UTF).
- Supported the first Emirate private investment: venture capital fund Phaze Ventures.
- Purchased a share in the leading Blockchain Solutions and Services Company.
- Executed a key agreement with Oracle, the leading global cloud service provider.
- Secured approval for innovation in global communication solutions via free access, positioning the Sultanate among the top data incubator countries.



- Pursuant to Royal Decrees issued in December 2020, the annual allocation for borrowing in 2021 was increased from AED 60 million to AED 100 million, with the aim of reducing the waiting period for granting housing loans to citizens.
- Commenced a comprehensive review process for the Bank's strategy for future growth plans and development of sustainable growth opportunities.



**MID Gulf Investments
Governance
and Transparency**



Governance and Transparency:

Introduction

MID is committed to the principles of transparency and governance and it cherishes the trust it has gained from its partners and supporters. MID spares no effort in maintaining the reputation it has gained and the trust it has built, which are reflected in all its achievements and successes. Trust and reputation are the key foundation on which MID bases its responsibility as part of the national efforts to provide a better future for the Emirate and future generations.

Roadmap Towards Transparency

MID has taken a number of steps to create a solid internal foundation and maintain high levels of governance and transparency. The most notable step taken towards achieving this goal was the issuance of the Delegation of Authority Manual, and the Investment Manual. Both provide a roadmap for each MID department and unit to prevent any conflict of responsibilities or undesired overlap between the authorities granted to each department and to maintain the integration between department duties in a manner that achieves MID objectives.

Code of Conduct

This is a guide outlining the ethics and behaviors all MID employees should comply with in all activities they perform.

Whistleblowing Policy

A whistleblowing policy was set up to reflect the MID's firm belief in the importance of standing together to prevent any MID staff or member from committing improper practices that may damage MID's reputation or jeopardize its financial status.

- The policy provides a high level of confidentiality to protect the identity of the whistleblower.

- The policy allows the whistleblower to describe certain incidents or employees who violate work guidelines or procedures at MID, whether they be financial transactions like tenders and investments, administrative operations, or other incidents. Based on such reports, an independent committee carries out an internal investigation and then refers its report to the relevant authorities. To report violations, kindly contact us at the following e-mail: whistleblowing@midgulfinvestments.ae.

Website

MID's website is the gateway that connects it with the public at home and abroad. It is in both Arabic and English and provides information about the nature of the MID's business, its investments, and future vision.

Governance Framework:

Best Practices

MID has been working towards updating and improving its governance frameworks to keep pace with the latest requirements and achieve a better operational and investment performance. It also aims to achieve the goals entrusted to it pursuant to Royal Decree No. 61/2020. MID applies the best international governance practices to guarantee the enforcement of an effective and flexible system without contravening the existing laws.

General Governance Framework

The governance structure of MID comprises a set of executive, administrative, and regulatory levels that include the MID regulatory bodies represented by:

MID Gulf Investments Board of Directors

An independent Audit Committee and its Internal Audit Team

Executive Committees

Executive Committees

Consist of:



Investment Committee



Human Resources Committee



Information Technology Committee



Tenders Committee



Business Continuity Management Committee

Duties and Responsibilities

Board of Directors

Article 2 of Royal Decree No. 61/2020 stipulated that MID Gulf Investments shall have a Board of Directors formed by virtue of an order from His Majesty the Sultan. Royal Decree No. 57/2021 specifies the duties and responsibilities of MID's Board of Directors.

Audit Committee (AC)

The Audit Committee is formed by and reports to the Board of Directors and assists it in the execution of its responsibilities by ensuring compliance with MID's guidelines and principles.

The committee performs the following duties:

- Enhances the effectiveness of internal and external auditors by interacting with them and distancing them from the direct influence of the management
- Provides substantive expertise to the Board of Directors on matters related to governance and internal control frameworks
- Establishes a strong regulatory environment in MID by supporting the Board in overseeing the financial reporting process, reviewing the internal control framework, and ensuring an appropriate framework for risk management and legal and financial compliance within MID.

Investment Committee (IC)

The Investment Committee is the main body responsible for making investment decisions. It is also tasked with the implementation of MID's strategies and allocation of assets approved by the Board of Directors.

The committee performs the following duties:

- Responsible for the overall supervision of MID's investment portfolio
- Determines the tactical distribution of assets within the framework of the approved limits
- Decides on the implementation of annual investment plans
- Reviews the public, private, and real estate investment proposals prepared by the relevant business units

Generally, the Investment Committee bases its resolutions on the proposals tabled by MID's various business units. It also monitors the performance of the investment funds and makes its recommendations for reconsidering the distribution of strategic assets in line with global variables so that MID's Board of Directors can make a final decision in this regard.

Human Resources Committee (HRC):

The Human Resources Committee is responsible for the following duties:

- Draws up HR's overall strategy as well as policies and plans aimed at enhancing the skills and competencies of MID's human resources
- Approves the staff training plan
- Develops solutions to challenges relating to human resources
- Reviews staff remuneration, bonuses, incentives, and promotions
- Reviews and assesses the annual performance of MID personnel

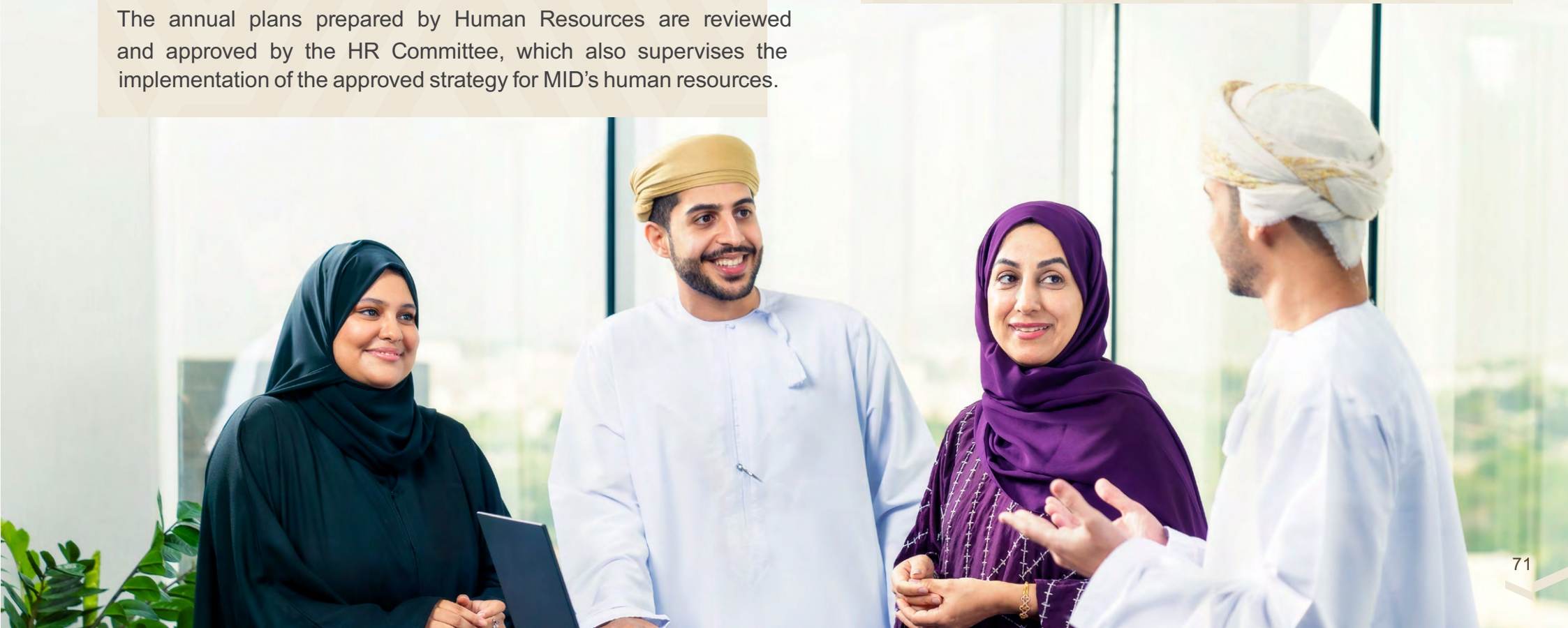
The annual plans prepared by Human Resources are reviewed and approved by the HR Committee, which also supervises the implementation of the approved strategy for MID's human resources.

Tender Committee (TC)

The Tender Committee performs the following duties:

- Formulates tenders and bidding procedures for tenders worth less than the amount specified by the Tender Board.
- Assesses the technical and commercial merits of each bid and submits its recommendations to those in charge of accepting or rejecting the recommendations.

The Committee ensures compliance with the procedures set forth for offering, evaluating, and awarding tenders.



Information Management Committee (IMC):

The Information Management Committee (IMC) performs the following duties:

- Provides strategic and tactical guidance for managing MID's overall technology systems on both short and long-term basis, according to the approved IM strategy.
- Ensures that system development and maintenance projects are consistent with strategic business goals.

Business Continuity Management Committee (BCMC)

The Business Continuity Management Committee is entrusted with providing strategic direction to bring operational flexibility to MID Gulf Investments. It also plays a significant role in overseeing the implementation of the business continuity management program at MID under any emergency circumstances. It performs the following roles and responsibilities:

- Ensures integration of sustainability and flexibility into the organization's culture and daily operations.
- Supports communication processes at the corporate level to demonstrate the commitment of senior management and the Board of Directors to the Audit Committee
- Promotes a work environment that is built on accountability, and ensures business continuity and flexibility across different departments and divisions
- Reviews business continuity, and emergency and crisis planning measures on a regular basis to ensure continuity of business services

- Provides guidance to ensure continued implementation of key tasks and retains the necessary competencies and capabilities to ensure recovery in emergencies
- Ensures that business continuity management outcomes and planning measures for emergencies are tested and reviewed properly



Secretariat of Boards and Committees:

Board of Directors

Organized 8 meetings for the Board of Directors from the inception of MID.

Investment Committee

- Held 54 meetings from July 2021 to December 2022
- Issued 81 decisions during these meetings

Reporting

Prepared a report on updates of the Investment Committee (from September 2021 to March 2022) for submission to the Board of Directors.

Thiqat Platform

MID Gulf Investments launched 'Thiqat' in 2020 to enable highly talented, competent, experienced, and capable candidates to apply for board memberships in MID Companies. Qualified individuals can register and upload their CVs, qualifications, and experience certificates for easy reference. To register on the platform, kindly visit

Objectives

- To promote community participation in corporate governance
- To offer an opportunity for talented, competent, experienced, and capable candidates to apply for board membership
- To attract top national competencies, and benefit from their capabilities and skills.

2400+

Registered candidates in the platform until 31/12/2021

2000+

Qualified applicants who met requirements until 31/12/2021



Internal Audit and Control:

Governance Manual

To ensure smooth and effective performance, the Governance Manual aims to:

- Define the responsibilities of each MID department.
- Define the roles of:



Risk Management
and Compliance
Roles



Finance and
Investment
Operations
Units



Human Resources
Committee



Investment
Committee



Tender
Committee

To ensure transparency and facilitation of the auditing process, the manual describes mechanisms for selecting committee members and documenting their meetings.

Internal/External Audit

To ensure transparency and guarantee the best control, MID transactions go through different auditing levels:

Internal Audit Committee

Reviews financial statements and transactions after being audited by the Internal Audit Department. The Committee meets once every three months.

External Auditor

MID's Board of Directors appoints different external auditors in order to ensure the auditors' independence and full control over MID's transactions.

State Audit Institution

is considered an independent regulatory body that oversees the MID is also subject to audit by the State Audit Institution, which performance of government units in UAE, and presents its remarks on MID financial performance, investments, and other transactions.

Internal Audit Directorate

MID Internal Audit Directorate enjoys complete independence and performs the following duties:

- Provides auditing, consultation, and safety controls in relation to adding value to MID's operations.
- The Directorate assists MID in achieving its objectives through an organized and disciplined methodology in order to assess and enhance MID's governance, risk management, and internal controls.
- The Department is subject to direct supervision by the Audit Committee, and the Chief of the Directorate reports directly to the Audit Committee and to the president with regard to administrative matters.
- The Internal Audit Directorate receives its authority and power directly from the Chairman of the Audit Committee. The Directorate covers estate, public markets, and all the other support and control functions. all core activities of MID, including investments in private markets, real

The annual internal audit plan is undertaken through a systematic and coordinated process that includes prioritization based on potential risks.

Key Achievements

Conducted 27 audits in line with the approved audit plan.

Conducted 4 investigations and reviews of reported violation incidents.

Actively engaged with Rawabet Program and developed the guiding principles for the auditing group of MID Companies.

Developed the auditing model and ToRs for the risk committees of MID Companies.

Developed the revised organization structure and operating model for internal auditing.

Shareholder audits: Led shareholder audits for a global team from the Community Interest Corporation (CIC) and Cosco Shipping Lines (COSCO) in charge of Chinese commercial holdings, to audit one of the ports.

Government Audit Coordination Unit: Acted as a link between the State Audit Institution and MID's work and investment teams by providing logistic and operational support.

Provided support to the Information Management Directorate in the verification of the auditing of the information security management system (ISMS: 27001:2013) by conducting the required audits for verification.

Led a shareholder audit of Vietnam UAE Investment, Minerals Development UAE, and UAE Technology Fund.

Governance, Risks and Compliance Directorate

The Directorate has the following responsibilities:

- Working in accordance with best international standards
- Working closely with the management and investment teams to protect MID's assets and create an added value to investment operations
- Provides reliable information to support the management in making proper decisions in all MID strategic projects
- Promotes risk awareness across all MID departments

Key Achievements

Completion of the agreement on risks and analytical performance for the BlackRoc!k Aladdin Portfolio.

Conducting compliance and risk analysis investigations for 57 investment proposals:

- 30 private property funds.
- 37 direct investments in private property.

Support the Rawabet Program in drafting the Code of Governance for MID Entities and a number of policies and guidelines, including:

- Risk management.
- Tenders and procurement.
- Business continuity management.
- Investment.

Commencement of the risk assessment and reporting process, in addition to a compliance assessment of 11 companies with regard to diversifying economic investment.

Conducting a risk assessment for 3 investments in foreign public markets.

Completion of MID's self-assessment for 2021, in accordance with the Santiago Principles established by the International Forum of Sovereign Wealth Funds.





MID Gulf Investments Operations



Investment Support Units:

MID Gulf Investments seeks to meet its investment objectives and achieve long-term sustainable returns through a comprehensive system of teams and departments to ensure smooth, efficient, and effective workflow at all levels.

Finance and Investment Operations Directorate

This Directorate has the following responsibilities:

- Operates in accordance with international financial standards.
- Provides reliable data and information about MID's accounts, financial performance, and assessment of its assets.
- Provides periodic financial statements to the Audit Committee, the Board of Directors, and any senior authority, as needed.
- Prepares MID's annual budget and follows up on its implementation.
- Prepares periodic financial reports for all portfolios managed by MID, and measures the performance of these portfolios with reference to the established standards and objectives.
- Follows up on remittances, settlements, and investment transactions, and manages special purpose vehicle projects.

Key Achievements

Successful redemption of a German withholding tax worth USD 1.5 million on public market investments, in addition to redemption of a Dutch withholding tax worth USD 1.13 million on a private equity fund, and mitigating exposure to taxes worth EUR 40 million on private equity investments in Cyprus.

Automating the workflow of private market transactions.

Completing the asset merger of the State General Reserve Fund, UAE Investment Fund, the Ministry of Finance, and their operating budgets successfully into MID after its establishment in June 2020.

Implementing the disclosure system (XBRL) for MID Companies in collaboration with the Capital Market Authority.

Completing the assessment of the assets transferred from the Ministry of Finance to MID, and transferring their legal subordination to MID.

Assessing more than 250 investments distributed between private assets, real estate, and local companies.

Successful classification of MID as an investment entity under the International Financial Reporting Standards (IFRS).

Completing the implementation of the value-added tax law on MID.

Assessing the return performance on MID's investments since its inception.

Legal Affairs Directorate

The Directorate has the following responsibilities:

- Identifies and assesses all legal, regulatory, and tax issues pertaining to the MID's investments, both existing and new, and its partnerships inside the Emirate and global economy.
- Provides legal consultations and advice to MID regarding the above subjects
- Follows up on any litigation or arbitration proceedings that MID may be involved in

Key Achievements

Preparing legal guidelines for Rawabet Program, for the governance of MID Companies.

Drafting and following up on the implementation of the provisions of Royal Decree No. 61/2020 establishing the MID Gulf Investments Div and drafting of MID's law promulgated by Royal Decree No. 57/2021 and following up on its implementation.

Fulfilling the legal requirements for new and existing investments, particularly those relating to an investment in SpaceX and MycoTechnology, a U.S. company specializing in the production of alternative protein.



Information Management Directorate

The Directorate has the following responsibilities:

- Provides and develops information systems and services for all MID Gulf departments
- Ensures smooth operation of all networks and platforms

Key Achievements

Investment Technology and Operations Management

- Consolidation of the financial and performance reporting systems of the former Arab Investment Fund (AIF), along with the complete migration of all SGRF investment, account management, and performance management data.
- Implementation and merging of all OIF and MID data and accounts under one ecosystem.

Infrastructure and Operations Management

- Updating MID's network infrastructure and security system with the installation of a hardware encryption system and a system for controlling access levels to MID's internal network in case of incompatibility with applicable security policies, in addition to upgrading internet lines and connection with MID's emergency center.
- Updating of the Wasel System to include all systems and services and improve the efficiency, security, and accessibility of the online work system.

Business Application Management

- Launch of the planning program for the annual budget.
- Updating the following systems:
 - Enterprise Resources Planning (ERP)
 - Files management (SharePoint)
 - Recruitment management

Information Security and Governance Management

- Passing the reverification audit of the ISO27001 Certificate.
- Issuing information security policies for all MID Companies, as part of the Rawabet Project.
- Launch of the Extrahop system, a cybersecurity solution based on machine learning and analysis techniques used to identify suspicious data traffic patterns in networks, and discover and respond to cyber threats.

Human Resources Directorate

The Directorate performs the following roles:

- Builds organizational and individual capabilities
- Staff development
- Invests in MID's human resources
- Supports personnel through professional and personal development programs
- Provides customized development program packages
- Develops exceptional leadership skills in MID different departments and teams

Secondment

MID is keen on keeping its department staff abreast of the latest developments and trends. To that end, it seconded a number of staff as part of its employee exchange program inside and outside the Emirate.

Administrative Affairs Directorate

The Directorate performs the following roles:

- Facilitates smooth operation of MID
- Manages and implements procurement operations
- Provides a variety of services to different MID departments
- Ensures the safety and security of MID's premises
- Enhances the work environment
- Oversees all civil status procedures relating to non-Middle employees



Key Achievements

- Obtainment of ISO Certificate, after conducting an assessment based on ISO 9001:2015 (contract management, procurement operations, facility management, security services).
- Completion of the physical classification of MID's files in accordance with NRAA's standards and policies.
- Complete implementation of the correspondence management system, and 85% completion of the document management system.
- Preparation and implementation of tendering and contracting procedures; including the terms and conditions of low-value procurement (maximum of AED 50,000) and high-value procurement (over AED 50,000).
- Commencement of implementation of government directives pertaining to awarding procurement operations with a maximum value of AED 10,000 to SMEs whose owners hold 'Riyada' cards



www.midgulfinvestments.ae

